



MAR 27 2012

Dr. Lynda Mitchell
RecCare, Inc.
501 Washington Lane, Suite 204A
Jenkintown, Pennsylvania 19046

Dear Dr. Mitchell:

I am enclosing for your review the final performance audit report of RecCare, Inc. as prepared by the Division of Audit and Review (DAR). Your response dated March 8, 2012 has been incorporated into the final report as an attachment. The report covers the period January 1, 2010 to June 30, 2011.

This report contains the DAR's findings and recommendations that were discussed with you at the January 12, 2012 closing conference. You did not elect to have an exit conference.

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

The 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 may be in contact with you to follow-up on the action taken in consideration of the report's findings.

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

Sincerely,

Tina L. Long, CPA
Director

Enclosure

c: Mr. Kevin M. Friel
Ms. Karen K. Deklinski
Ms. Vicki Stillman-Toomey
Mr. John Cox
Mr. Timothy O'Leary

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.



MAR 27 2012

Mr. Timothy M. Costa
Executive Deputy Secretary
Department of Public Welfare
Health & Welfare Building, Room 333
Harrisburg, Pennsylvania 17120

Dear Mr. Costa:

In response to a request from the Office of Developmental Programs (ODP), the Bureau of Financial Operations (BFO) initiated an audit of RecCare, Inc. The audit was designed to investigate, review and make recommendations regarding the Federal Waiver reimbursements from PROMISE for client care and personal habilitation services. Our audit examined the period from January 1, 2010 to June 30, 2011 (Audit Period).

This report is currently in its final form and therefore contains RecCare, Inc.'s views on the reported findings, conclusions and recommendations. Management's response to the draft report is included as an attachment hereto. The report's contents were discussed at the closing conference on January 12, 2012. RecCare's management did not request an exit conference.

RecCare, Inc.'s Executive Summary

RecCare, Inc. was incorporated as a for-profit Pennsylvania corporation on March 6, 2006. It is a health care provider servicing clients who are approved by the Commonwealth of Pennsylvania, Department of Public Welfare (DPW) and ODP. RecCare, Inc. works with home and community habilitation organizations in Philadelphia, Montgomery, Delaware, and Bucks Counties to provide in-home services to individuals and families with special needs. RecCare, Inc. assists consumers to acquire and maintain the highest possible level of independent living by providing habilitation, enhanced habilitation and transportation services.

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

FINDINGS	SUMMARY
<i>Finding No. 1 – RecCare, Inc. Did Not Have Copies Of A Four Year College Degree Available For Every Employee Care-Giver.</i>	One of the Waiver requirements for delivery of Home & Community Habilitation, Level 3 Enhanced services is that each employee care-givers has a four year college degree. For three of the reimbursements tested, RecCare, Inc. did not have copies of the degrees in the personnel files, although they were all subsequently acquired.

HIGHLIGHTS OF RECOMMENDATIONS

ODP should :

- Insure that RecCare, Inc. has a copy of the four year college degree on hand for all Employee Care-Givers who provide Home & Community Habilitation, Level 3 Enhanced services.

RecCare, Inc. should:

- Obtain and retain adequate documentation for each claim submitted to PROMISE.

FINDINGS	SUMMARY
<p><i>Finding No. 2 – Certain Individual Service Plans Were Inconsistent Because The Narrative Portion Which States The Service Delivery Schedule Could Not Be Reconciled To The Fiscal Year Annual Budgetary Authorizations.</i></p>	<p>The body of a typical Individual Service Plan contains a narrative describing the type, duration and frequency of service(s) to be rendered in a daily and/or weekly schedule. At the end of an ISP, is a fiscal year annual authorization or budgeted amount of units available for use. For certain ISPs, the narrative schedule does not reconcile to the total annual authorization.</p>

HIGHLIGHTS OF RECOMMENDATIONS

ODP should:

- Instruct the SC entities to review each ISP to verify that the daily or weekly scheduled units of habilitative service can be reconciled to the annual total units of service authorized in the budget.
- Require that in the future ISPs include a statement of how the daily or weekly service units scheduled can be reconciled to the annual total number of service units authorized in the fiscal year budget.

RecCare, Inc. should:

- Review each ISP to verify that the daily or weekly scheduled units of service can be reconciled to the annual total units of service authorized in the budget.

Background

RecCare, Inc. was incorporated as a for-profit Pennsylvania business corporation on March 6, 2006. Its corporate business office is located at 501 Washington Lane, Suite 204A Jenkintown, PA 19046 and its registered corporate office is 923 Ellet Street, Philadelphia, PA 19150.

RecCare is a health care provider servicing clients who are approved by the Commonwealth of Pennsylvania, DPW and ODP. RecCare, Inc. works with Philadelphia, Bucks, Delaware, and Montgomery County developmental disability organizations to provide in-home habilitation services to consumers and families with special needs. RecCare, Inc. assists consumers to acquire and maintain the highest possible level of independent living by providing habilitation and transportation. These services are performed in consumers' homes and communities by RecCare, Inc.'s employee care-givers and are delivered pursuant to the consumers' ISPs.

Objective/Scope/Methodology

The audit objective, developed in concurrence with ODP was:

- To determine if RecCare, Inc. has adequate documentation to substantiate its billings to PROMISE for habilitation and other related services.

The criterion used to ascertain the adequacy of substantiation was ODP Bulletin #00-07-01 dated April 26, 2007 and pertinent Federal Waiver requirements.

In pursuing the objective, the BFO interviewed ODP personnel and RecCare, Inc.'s management. We also reviewed books, records, third party invoices, bills, receipts and other pertinent data necessary to pursue the audit objective, such as PROMISE reimbursement data, HCSIS electronic records.

A statistically valid random sample of 58 claims was selected from the total of 4,987 claims reimbursed by PROMISE during the Audit Period for Home & Community Habilitation, Level 3 Enhanced. The underlying documentation for the sampled claims was examined including supporting time sheets, progress notes, if any, and the nature and extent of the services provided. The number of units of service authorized by an ISP was compared to the units billed. BFO also verified that the units billed for the fiscal year did not exceed the annual budget authorization.

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 these controls as they pertain to PROMISE billings. Based on our understanding of the controls, no material deficiencies came to our attention. Areas where we noted an opportunity for improvement in management controls are addressed in the findings and observations of this report.

We conducted this performance audit in accordance with generally accepted governmental 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 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 January 4, 2012 to January 6, 2012 and was performed in accordance with generally accepted government auditing standards. This report will be available for public inspection.

Results of Fieldwork

Finding No. 1 – RecCare, Inc. Did Not Have Copies Of A Four Year College Degree For Every Employee Care-Giver.

One of the Waiver requirements for delivery of Home & Community Habilitation, Level 3 Enhanced services is that an employee care-giver has a four year college degree. For three of the reimbursements tested, RecCare, Inc. did not have copies of the degrees in the personnel files.

Once this omission was brought to the attention of management, the absent degrees were all subsequently obtained. As a result, the services were rendered by a proper person and no monetary adjustment is warranted.

Recommendations

The BFO recommends that ODP should insure that RecCare, Inc. has a copy of the four year college degree on hand for all Employee Care-Givers who provide Home & Community Habilitation, Level 3 Enhanced service.

The BFO also recommends that RecCare, Inc. should obtain and retain adequate documentation for each claim submitted to PROMISE.

Finding No. 2 – Certain ISPs Were Inconsistent Because The Narrative Portion Which States The Service Delivery Schedule Could Not Be Reconciled To The Fiscal Year Annual Budgetary Authorizations.

Supports Coordinators (SC) prepare ISPs that describe the needs of a client and the services to be provided. The services are provided over the course of the fiscal year as scheduled by the SC. The narrative portion of the ISP usually states certain hours and days when service(s) will be provided.

The SC also includes in the ISP a budgetary authorization for the fiscal year. In most instances the weekly schedule can be multiplied by 52 to verify the annual authorization. However in certain cases examined, the weekly schedule could not be reconciled to the annual authorization. In the future, the SCs should include in the ISP their computation of the annual budgetary authorization; beginning with the weekly scheduled units and reconciling to the total units authorized for the fiscal year.

Recommendations

The BFO recommends that ODP instruct the SC entities to review each ISP to verify that the daily or weekly scheduled units of service can be reconciled to the annual total units of service authorized in the budget.

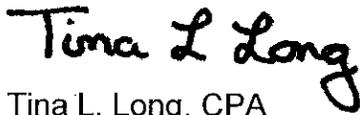
The BFO further recommends that in the future ISPs include a statement of how the daily or weekly service units scheduled can be reconciled to the annual total number of service units authorized in the fiscal year budget.

Finally, the BFO recommends that RecCare, Inc. should review each ISP to verify that the daily or weekly scheduled units of habilitative service can be reconciled to the annual total units of service authorized in the budget.

RecCare, Inc.
January 1, 2010 through June 30, 2011

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 DPW 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.

Sincerely,



Tina L. Long, CPA
Director

c: Dr. Lynda L. Mitchell
Mr. Gary Alexander
Ms. Karen K. Deklinski
Mr. Kevin M. Friel
Ms. Vicki Stillman-Toomey
Mr. John Cox
Mr. Timothy O'Leary

**RECCARE, INC.
RESPONSE TO THE DRAFT REPORT**

ATTACHMENT

Higgins, Daniel

From: LMRecCare@aol.com
Sent: Monday, March 12, 2012 3:33 PM
To: Higgins, Daniel
Cc: LMRecCare2@aol.com; lmreccare@aol.com
Subject: Re: Response to Audit Report

Hello, Mr. Higgins,

Thank you for your email. If you find our responses acceptable, we will forgo an exit conference for the audit.

On behalf of RecCare, I value the constructive feedback you and your team has provided. Having the opportunity to make those corrections is appreciated. Adherence to DPW's standards and expectations take on the highest level of importance to us here at RecCare as we serve the public who may benefit from our collaborative work.

Thank you again.

Best,
(Dr.) Lynda Mitchell, CTRS, CPRP
Founder/President
RecCare, Inc.
501 Washington Lane
Suite 3054 A
Jenkintown, Pa. 19046
Phone: (215) 886-0880
Fax: (215) 886-2680

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Developmental DisAbilities
Behavioral Health
Geriatrics
Pediatrics/Adolescents

Staff Development
Training for new or experienced staff
Consultation and Technical Assistance
Troubleshooting
Programmatic issues

FAX

To: Daniel Higgins	From: Dr. Lynda Mitchell
Fax: 215-560-3972	Pages: 3, including cover
Phone:	Date: 3/9/12
Re: Audit response from RecCare, Inc.	

Mr. Higgins,

This information will also be sent to you via mail.

Thank you.

Dr. Mitchell

This information has been disclosed to you from records whose confidentiality is protected by State statute. State regulations limit your right to make any further disclosure of this information without prior written consent of the person to whom it pertains. If the reader of this message is not the recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return the original message to us at the above address via the U.S. Federal Postal Service.

Dr. Lynda L. Mitchell, CTRS, CPRP
President/Founder

501 Washington Lane, Suite 204A, Jenkintown, PA 19048
Office: 215-886-0880 Fax: 215-886-2860 E-mail: LMRRecCare@aol.com Website: www.RecCare.com

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Clinical Specializations
 Developmental DisAbilities
 Behavioral Health
 Geriatrics
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Staff Development
 Training for new or experienced staff
 Consulting and Technical Assistance
 Troubleshooting Programmatic Issues

RECREATIONAL THERAPY SUPPORT SERVICES

March 8, 2012

Mr. Daniel Higgins, Audit Manager
 Division of Audit and Review
 Bureau of Financial Operations
 Department of Public Welfare
 801 Market Street, Suite 5040
 Philadelphia, PA 19107-3126

Dear Mr. Higgins:

Thank you for the opportunity to respond to the audit report of RecCare, Inc. submitted to us last month. Following are RecCare's responses to your findings:

Findings
<p>Finding No. 1 – RecCare, Inc. did not have copies of a four year college degree available for every employee/caregiver.</p>
RecCare, Inc. Response
<p>ecCare, Inc. would like to note that a four year college degree is only required for staff supporting level 3 enhanced waiver-funded clients. A four year college degree is not a requirement for staff supporting other levels of service for waiver-funded clients.</p> <p>RecCare has reinforced existing procedures and revised the hiring process to insure that a representation of the diploma is on file and can be obtained and viewed on demand. In no cases has an employee of RecCare without a four year college degree been supporting level 3 enhanced clients.</p> <p>A complete audit of current employee files has been conducted in order to insure that all files include a representation of diploma is present. In one case, an outsized diploma (where transcripts in file indicated the employee's graduate status) was too large to copy but was photographed and sent to file instead.</p> <p>In a revised process, the new employee welcome letter has been improved to add that a copy or representation of the degree is also a required document new hires must provide.</p>

Dr. Lynda L. Mitchell, CTRS, CPRP, President/Founder
 501 Washington Lane Suite 204 A, Jenkintown, PA 19046
 Phone: (215) 886-0880 Fax: (215) 886-2680
 E-mail: LMRecCare@aol.com Website: www.RecCare.com

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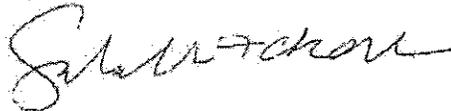
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Findings
<p>Finding No. 2 – Certain individual service plans were inconsistent because the narrative portion which states the service delivery schedule could not be reconciled to the fiscal year annual budgetary authorizations.</p>
RecCare, Inc. Response
<p>While the responsibility of documenting the narrative and budgetary assignments lies solely with the supports coordinator; RecCare, Inc. works very closely with most supports coordinators to achieve the duration and frequency of service goals for RecCare, Inc. as outlined by the clients and/or their families/care givers.</p> <p>Many times, what is documented in the service plan is the expectation based on the fiscal year in its entirety but what ends up in the budgetary authorization of units is dependent upon when a plan and/or RecCare's services becomes authorized. For example, the narrative plan may call for RecCare to support a client twice a month for four hours each session or 384 units total. If the addition of RecCare's service takes place sometime during the fiscal year rather than at the start of the fiscal year, this overall goal is no longer applicable.</p> <p>Additionally, there can also be a delay between the time the goals are established and the time the authorization actually comes through. This time delay can happen because it takes time to: 1.) meet with the client and/or /family/caregiver to ensure RecCare's services are applicable, 2.) complete and submit the necessary forms outlining the units of service desired, 3.) revise the plan to include RecCare's services, ensuring the finances are available and documenting the outcomes appropriately, and 4.) obtain the county reviewer's approval of RecCare's service and service level, or redrafting/resubmission for approval.</p> <p>Lastly, it should be noted that RecCare, Inc. works with people rather than product. There are often times where illness, family emergencies, schedules, weather, etc. will affect the actual completion of the units as outlined in the narrative portion of the plan. If we are expected to support a client twice a month for four hours each session or 384 units total but the client is hospitalized for a month, needs to reschedule due to appointments, or we experience a treacherous winter, we are not likely to be able to complete the desired units in the anticipated fiscal year time frame. While every effort will be made to reschedule sessions, when a client has limited availability due to family obligations, day programs, or aide services, we simply cannot accomplish the desired goals as outlined in the narrative portion of the plan.</p>

We appreciate the opportunity to be a part of the final report. Please contact me at (office) 215-886-0880 or (cell phone) [REDACTED] should you have any questions or need additional information.

Sincerely,



Dr. Lyrida Mitchell, CTRS, CPRP
 President and Founder
 RecCare, Inc.

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