



July 28, 2014

Ms. Sandi Cooper, Executive Director
Neighbours Inc.
49 Woodbridge Avenue
Highland Park, New Jersey 08904

Dear Ms. Cooper:

I am enclosing for your review the final audit report of Neighbours Inc. 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 July 1, 2010 to June 30, 2012.

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 Barbara Miller 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 [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. Rochelle Zaslow
Ms. Deborah Donahue
Ms. Patricia McCool
Mr. Timothy O'Leary

bc: Mr. Alexander Matolyak
Mr. Daniel Higgins
Mr. David Bryan
Mr. Michael A. Sprow
Ms. Shelley L. Lawrence
SEFO Audit File (S1307)

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

July 28, 2014

Mr. Brendan Harris, Executive Deputy Secretary
Department of Public Welfare
Health & Welfare Building, Room [REDACTED]
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 Neighbours, Inc. (Neighbours). 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 July 1, 2010 to June 30, 2012 (Audit Period).

This report is currently in final form and therefore contains Neighbours' views on the reported findings, conclusions and recommendations.

Executive Summary

Neighbours provides Home and Community-Based Services under the Agency With Choice model (AWC). As an AWC, Neighbours is required to provide an array of functions for the managing employer (ME) who is typically a parent, close relative or the consumer. Services are provided through the Consolidated and Person/Family Direct Supports waivers which are funded by ODP.

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

FINDINGS	SUMMARY
<p>Finding No. 1 – Neighbours is not in Compliance with ODP Bulletin 00-08-08</p>	<p>The AWC is required to provide monitoring, administrative, personnel and billing services. The AWC operates as a traditional service provider but does not recruit or manage direct care staff. Neighbours is functioning with little or no monitoring and oversight of service delivery.</p>
HIGHLIGHTS OF RECOMMENDATIONS	
<p>ODP should:</p> <ul style="list-style-type: none"> Require a corrective action plan and monitor Neighbours to ensure they develop the necessary procedures to comply with the AWC requirements as outlined in ODP Bulletin 00-08-08. <p>Neighbours should:</p> <ul style="list-style-type: none"> Develop procedures for MEs to require support service workers (SSW) to prepare sufficient daily activity notes to document service delivery. Develop and provide training to MEs and SSWs on the proper delivery of service and adequate documentation of those services. Monitor the MEs on a regular basis to ensure that services are delivered according to the individual support plan (ISP). 	

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FINDINGS	SUMMARY
<p>Finding No. 2 – Paid Claims did not Have Adequate Documentation to Support Service Delivery.</p>	<p>A statistically valid random sample (SVRS) of PROMISE paid claims was tested for adequacy of supporting documentation. The discrepancies identified were companion services rendered by family members, overbillings and under billings, and missing daily activity notes. The total questioned cost related to these errors is \$1,546,869.</p>
HIGHLIGHTS OF RECOMMENDATIONS	
<p>ODP should: Recover \$1,546,869 from Neighbours for claims that were ineligible for billing and inadequately documented.</p> <p>Neighbours should:</p> <ul style="list-style-type: none"> • Only bill for claims which are provided by eligible care givers and adequately supported by the required documentation. 	

FINDINGS	SUMMARY
<p>Finding No. 3 - Neighbours is not in Compliance with Medical Assistance Bulletin 99-11-05</p>	<p>Medical Assistance (MA) Bulletin 99-11-05 requires that effective August 15, 2011 providers are to screen employees on a regular basis to ensure they have not been excluded from participation in federal health care programs. Even though the Audit Period encompasses the effective date of August 15, 2011 Neighbours was unaware of this [August 15, 2011] requirement and did not perform such screenings.</p>
HIGHLIGHTS OF RECOMMENDATIONS	
<p>Neighbours should:</p> <ul style="list-style-type: none"> • Develop procedures to ensure that staff is screened on an on-going basis as required by MA Bulletin 99-11-05. 	

OBSERVATION	SUMMARY
<p>Neighbours' Management Structure is Insufficient to Support the AWC Service Model</p>	<p>Neighbours does not have a sufficient amount of staff to adequately monitor and document the services delivered by MEs and their SSWs.</p>

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

Results of Fieldwork

Finding No. 1 - Neighbours is not in Compliance with ODP Bulletin 00-08-08

Under the AWC service model, the AWC provides distinct functions for the ME who is typically a parent, close relative or the consumer receiving services. Under this model, the ME recruits staff

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to work for them. The staff is then hired by the AWC who provides all of the administrative, personnel, monitoring and billing activities similar to that of a traditional provider.

ODP Bulletin 00-08-08 details the specific requirements that the AWC must meet. Neighbours is not fully compliant with these requirements. Neighbours had weaknesses pertaining to the following sections of the Bulletin:

- Orientation and ME Skills Training: Neighbours developed a manual which outlines the AWC and ME responsibilities; however, the manual is lacking in sufficient detail to ensure that the requirements of Bulletin 00-08-08 are met. For example, new hire orientation is provided but training on specific service delivery and the required documentation to support service delivery is not provided in sufficient detail to ensure compliance with the AWC requirements.
- Support Service Worker Training: Neighbours provides initial training to SSWs (and its MEs); however, no on-going training is provided. It is Neighbours' policy to make the MEs responsible for ongoing training for their SSWs, including training on ISP goals and how to achieve those goals.
- Administrative Services: Assist with Supervision and Management of SSWs as Needed or Requested: Neighbours monitoring of MEs and service delivery is inadequate. MEs send in time sheets which are used to generate billing. Daily activity notes supporting time sheets are not presented and are generally nonexistent.
- Track, Monitor and Address ME Performance: There is no on-going monitoring of ME performance, nor is there any monitoring of the quality of service delivery. Neighbours will instruct and/or retrain MEs on proper procedures when requested or recommended by the Supports Coordination Office (SCO). However, no periodic monitoring of ME performance or the quality of service delivery, other than the reviewing of monthly progress notes, is performed.

Neighbours' non-compliance with the requirements of Bulletin 00-08-08 lead to significant deficiencies in the claims that were sampled.

Recommendations:

The BFO recommends that ODP require a corrective action plan and monitor Neighbours to ensure they develop the necessary procedures to comply with the AWC requirements as outlined in ODP Bulletin 00-08-08.

The BFO also recommends that Neighbours develop procedures for MEs to require SSWs to prepare sufficient daily activity notes to document service delivery.

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Additionally, the BFO recommends that Neighbours develop and provide training to MEs and SSWs on the proper delivery of service and adequate documentation of those services.

Finally, the BFO recommends that Neighbours monitor MEs on a regular basis to ensure that services are delivered according to the ISP.

Finding No. 2 – Paid Claims did not Have Adequate Documentation to Support Service Delivery.

A SVRS of claims were selected from the claims reimbursed through PROMISE during the Audit Period. The SVRS consisted of Home and Community Habitation and Companion service claims.

The underlying documentation was analyzed to determine the validity of each sampled claim. In order for a claim to be valid, it must be supported by documentation of a qualified care-giver's name, time in and time out, quantity of service, type of service and a description of service delivery.¹ Analyzed documentation included timesheets, daily activity notes, and PROMISE billings.

The following errors were identified based on the analysis of available documentation:

Companion Services Provided by Family Members: There were two consumers included in the sample who received companion services from a family member. Both the Consolidated and Person/Family Directed Support waivers state that family members may only provide Home and Community Habilitation, Supported Employment and Transportation services. The questioned cost related to family members providing companion services is \$28,758.

Time Sheet Errors: The analysis identified several claims where the units billed were either greater than or less than the units supported by the time sheets. The net effect of the over-billing and under-billing resulted in questioned costs of \$5,726.²

Daily Activity Notes Were not Prepared: A daily activity note is required each time non-consecutive services are rendered.³ Neighbours did not require MEs to ensure SSWs prepared daily activity notes in support of the services that were billed; only monthly progress notes were submitted. Only five claims in the audit sample had a daily activity note to support the claim. As a result, the questioned cost related to the lack of daily activity notes is \$1,512,385.

Recommendations

The BFO recommends ODP recover \$1,546,869 from Neighbours due to claims that were ineligible for billing and inadequately documented.

The BFO also recommends that Neighbours only bill for claims which are provided by eligible care-givers and adequately supported by the required documentation.

¹ 55 Pa. Code Chapter 1101, §1101.11 General Provisions and §1101.51 Ongoing Responsibilities of Providers; 55 Pa. Code Chapter 55 §51.15 Provider Records and §51.16 Progress Notes.

² One claim remains open and is still in the process of being resolved as to the propriety of the units claimed. However, there were no daily activity notes related to this claim. As such, the questioned cost amount was included as an error related to no daily activity notes.

³ 55 Pa Code Chapter 1101 §1101.51 On-Going Responsibilities of Providers; ODP Bulletin 00-08-08 and ODP Bulletin 00-07-01.

Finding No. 3 - Neighbours is not in Compliance with Medical Assistance Bulletin 99-11-05

Neighbours did not perform regular background screenings of its staff as required by MA Bulletin 99-11-05. Effective August 15, 2011, providers of MA services are required to perform screenings of staff to determine if they have been excluded from participation in federal health care programs. The Bulletin states that providers should screen employees prior to hiring and on a monthly basis thereafter.

Reimbursement for services provided by staff that has been excluded is ineligible for MA funding and would result in an overpayment. Even though the Audit Period encompasses the effective date of August 15, 2011, Neighbours was unaware of this [August 15, 2011] requirement and does not have procedures in place to screen staff on a regular basis. As such, Neighbours is not in compliance with MA Bulletin 99-11-05.

Recommendation

The BFO recommends that Neighbours develop procedures to conduct initial and ongoing background screenings of staff on a regular basis to ensure compliance with MA Bulletin 99-11-05.

Observation No. 1 – Neighbours' Management Structure is Insufficient to Support the AWC Service Model

Neighbours is functioning with little or no monitoring and oversight of service delivery due to insufficient management staffing. Neighbours has only two management individuals working with the MEs and consumers: a program director and a billing/payroll manager. Additionally, all of Neighbours' staff works from their homes. Neighbours has a small amount of office space in a building in [REDACTED] which houses the payroll and personnel records. As a further restriction, no staff is physically located in the counties which Neighbours serves. As such, monitoring of MEs or attendance at ISP meetings is restricted by time and distance. In order to efficiently monitor MEs, the quality of service delivery, and to ensure that there is sufficient documentation for the PROMISE billing, Neighbours should consider restructuring and/or increasing their staff.

Exit Conference Summary / Auditor's Commentary

An exit conference was held on July 7, 2014. The audit report and Neighbours' response were discussed to the level necessary to ensure comprehension of the documents and the resolution process. Based on the exit conference, a bullet point in Finding No. 1 pertaining to training was removed along with other minor wording changes to the report.

Subsequent to the exit conference, Neighbours enhanced their procedures and ME manual as follows:

- The time sheet format was expanded to require daily activity notes from the SSWs.
- The ME manual, "Working With Your Paid Supports" was augmented in several parts to include explanations and instructions that the activities performed by SSW must meet the goals and outcome requirements of the ISP.

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Neighbours response states, per ODP Bulletin 00-07-01, they provide non-intermittent services and therefore were not required to prepare daily activity notes to support service delivery. Both the BFO and ODP assert that Neighbours provides intermittent services, per ODP Bulletin 00-07-01, and are required to document service delivery with daily activity notes.

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:



The response to each recommendation should indicate the program office's concurrence or non-concurrence, the corrective action to be taken, the staff from ODP 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

- c: Mr. Jay Bausch
- Ms. Deborah Donahue
- Ms. Patricia McCool
- Ms. Rochelle Zaslow
- Mr. Timothy O'Leary

bc: Mr. Alexander Matolyak
Mr. Daniel Higgins
Mr. David Bryan
Mr. Michael A. Sprow
Ms. Shelley L. Lawrence
SEFO Audit File (S1307)

NEIGHBOURS INC.

APPENDIX A

Appendix A

Background

Neighbours is a non-profit corporation located in Highland Park New Jersey that provides services to consumers who are enrolled by ODP under the AWC service model. Neighbours works with developmental disability organizations and families in [REDACTED] to provide in-home services to consumers and families with special needs. Neighbours assist consumers to acquire and maintain the highest possible level of independent living by providing Habilitation, Companion and Respite services. Consumers are funded by ODP under the waiver services program through the PROMISe reimbursement process.

Objective/Scope/Methodology

The audit objective, developed in concurrence with ODP was:

- To determine if Neighbours has adequate documentation to substantiate the claims reimbursed through PROMISe for services delivered.

The criteria used to ascertain the adequacy of supporting documentation was 55 Pa. Code Chapter 1101, 55 Pa. Code Chapter 51, ODP Bulletins 00-08-08 and 00-07-01 and pertinent Federal Waiver requirements.

In pursuing this objective, the BFO interviewed ODP personnel and Neighbours management. The BFO also analyzed client files, claim documentation, care-givers' time records, daily activity notes, payroll records, PROMISe reimbursement data, and electronic records available in the Home and Community Services Information System (HCSIS), and other pertinent data necessary to pursue the audit objective.

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.

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 of the controls, there were material deficiencies in the documentation and billing procedures. Areas where we noted an opportunity for improvement in management controls are addressed in the findings of this report.

The BFO's fieldwork was conducted intermittently from March 13, 2014 to April 10, 2014 and was performed in accordance with GAGAS. This report is available for public inspection.

Conclusion on the Objective

Neighbours did not meet the documentation requirements for reimbursement of PROMISE claims. Significant billing errors occurred due to the lack of daily activity notes, services provided by ineligible care-givers and the overbilling of units of service delivered. As a result, total questioned costs are \$1,546,869.

**NEIGHBOURS INC.
RESPONSE TO THE DRAFT REPORT**

APPENDIX B

Neighbours, Inc. respectfully disagrees with a majority of the Pennsylvania Division of Audit and Review (DAR) draft performance audit report findings. However, we have given strong consideration to the points which have been raised. We are open to consideration of suggested modifications to our existing policies and procedures going forward, because we wish to continue our long-standing relationship with the Office of Developmental Programs (ODP) and the Pennsylvania Counties with which we partner. Our response will set out the grounds for our disagreements with the DAR findings. We have obtained legal counsel in this matter and, to the extent that our response analyzes the PA rules and regulation pertaining to Agency with Choice (AWC) organizations, we have incorporated counsel's advice.

Background

Neighbours, Inc was incorporated as a 501(c)(3) in June of 1995. Our mission is to support people with disabilities to live full, individualized, self-directed lives in their own homes in [REDACTED]. We have accomplished that work in a variety of ways throughout the years, including:

- As a Qualified Provider in [REDACTED]
- Via the provision of Supports Brokering in [REDACTED]
- Via statewide Support Coordination (for self-directed services) in [REDACTED]
- Via the Agency With Choice model in [REDACTED]

Throughout our history, we have strived to be a good corporate citizen and to provide the best services possible. The people with disabilities and their families for whom we work have consistently expressed satisfaction with our services; and our State and County funders have found us to be good partners.

Prior to the March 2014 audit, we had been monitored at the county level, by the County Administrative Entity (AE), on two separate occasions; in June of 2011 and March of 2013. A monitoring was performed by the AE for the [REDACTED] on June 16, 2011, during the time period covered in this current audit. The AE concluded that we were operating within their expectations. During the monitoring, our progress notes were reviewed and there were no concerns raised regarding our documentation. The AE indicated that our incident reporting policies and procedures did not meet existing regulations and we subsequently revised our policies accordingly to become compliant with the regulations.

Additionally, we have successfully re-qualified each year, with the PA Counties where we operate, to provide the Agency With Choice service.

It should be understood that we are prepared to implement certain audit recommendations to better provide our service, and to be in compliance with applicable rules and regulations. We are deeply committed to the people and families we work for, and we wish to be a good partner to the counties we work with, as well as ODP. We would prefer to continue our established record of excellent service to our Pennsylvania clientele, provided it is feasible under the current and future regulatory climate.

Summary

Below is a summary of our response to the DAR March 2014 audit findings and recommendations. Our response to each finding is made in greater detail in the following section titled "Response to Findings":

Finding No. 1: We understand that the Audit team did not obtain a copy of Neighbours' "AWC Operating Manual," and instead based its findings solely upon the "Working With Your Paid Supports" booklet (Attachment A), without accompanying appendices. Upon consideration of the Neighbours' "AWC Operating Manual," which is attached hereto (Attachment B), and the accompanying appendices to the "Working with Your Paid Supports" booklet (Attachment C), we are confident you will be satisfied that Neighbours' Managing Employer (ME) Orientation and Skills Trainings are sufficient.

Furthermore, we disagree that Neighbours' Support Service Worker (SSW) Training is out of compliance, and we find no clear bulletin or regulation which required Neighbours to do more than what has been substantiated. In fact, it appears that the only requirement is that we provide SSW training as requested, which we have done. We believe that, if not requested by the ME, daily or repetitive on-site training and supervision would substantially detract from Neighbours' mission to promote the self-sufficiency of the MEs.

Finding No. 2: Based upon our reading and the interpretation of our legal counsel, Neighbours' monthly progress notes and documentation are in compliance with ODP Bulletin 00-08-08, ODP Bulletin 00-07-01, and the PA Code Chapter 51 Regulations

Additionally, there is no dispute that the services in question were actually provided to qualified individuals in need, and therefore we believe this finding should be removed from the final report. We lack the financial ability to repay \$1.5M and such an assessment would force us to withdraw our services in PA and may lead to the discontinuance of service in NJ.

Regarding the finding of Time Sheet Errors, we remain open to working through the glitches in the PROMISE billing system, in order that we may resolve the current audit finding and avoid future audit issues.

Regarding the finding on disallowed Companion Care claims, we are not clear that the companion care service benefits provided by a relative should be disallowed when specifically approved and authorized in the ISP. However, we remain open to accepting this finding as part of a global settlement of all audit issues.

Finding No. 3: We were not in compliance with Medical Assistance Bulletin 99-11-05. We have addressed this problem through the establishment of policies and procedures to bring us into compliance with Medical Assistance Bulletin 99-11-05.

We remain committed to improvement in these areas, as outlined below under the section "Moving Forward." We ask that you give due consideration to our

thoughtful response to March 2014 audit findings, and that you reconsider the severe financial reimbursement and penalties that have been suggested.

Response to Findings

A) Finding # 1: Neighbours is not functioning as an Agency With Choice.

Point 1: Provide Orientation and Skills Training to Individuals and Surrogates

The Neighbours, Inc. AWC service was designed around -- and is provided in compliance with -- the Agency with Choice Financial Management Services Bulletin 00-08-08. This Bulletin was the guide provided by ODP at the time of the request for proposal (RFP). Bulletin 00-08-08 has often been included in formal mailings Neighbours has received from the time of the RFP process until now; it is indicated as the bulletin to follow in regards to service delivery by an AWC. Additionally, it should be noted, that when enquiries were made of ODP in regards to an issue or concern, our Director was referred back to this Bulletin for direction.

As an AWC, we provide a number of orientations to ME's in accordance with Bulletin 00-08-08. Our orientation training is based upon the requirements of the Bulletin, and covers all relevant points. It should be noted that these orientations start prior to the inception of services. In fact, there are at least two orientations for all potential ME's prior to starting service. Once service starts, there is further, more comprehensive orientation.

Neighbours routinely conducts three orientation meetings with ME's in the early stages of the ME and AWC relationship. First, Neighbours Director meets with prospective ME's and provides them with information on the AWC service. At this initial orientation, a copy of the Managing Employers Agreement is given to the prospective ME for review. The Director reviews the agreement line by line with the ME. The Agreement describes the details of being an ME and the requirements of the AWC service. In addition to the agreement, relevant sections and information from the PA Guide to Participant Directed Service (including Chapter 7), which outlines the AWC service in detail, are also given to the ME. The Director's contact information is provided and the ME is encouraged to contact the Director with any questions they may have regarding the service.

When the individual or family chooses the AWC service, the Director goes out to meet with the person and their family. The Support Coordinator is also present at this meeting. The Director again reviews the Managing Employers Agreement with the ME, line by line, during this meeting. Every ME is required to sign the Agreement.

The third orientation is a skills training session. The Director reviews qualifications with the ME to ensure that the ME meets and understands all qualifications and requirements to be an ME. All required paperwork (including the Managing Employer Agreement, Surrogate Form, SSW Qualification Form, and Progress Note Form) is also reviewed. The ME is provided with ODP Bulletin 00-07-01 and is trained on how to properly complete progress notes. During this orientation and training -- which typically lasts about six hours -- the ME is trained on all required matters in accordance with ODP Bulletin 00-08-08.

Point 2: Orientation and ME Skills Training

Neighbours has an "AWC Operating Manual" (Attachment A) which governs how we provide the service, and is in compliance with Bulletin 00-08-08. Additionally, we have a skills booklet, "Working With Your Paid Supports", which is a resource available to ME's, and utilized within our orientation training (Attachment B). And, finally, we have an appendix to "Working With Your Paid Supports" (Attachment C), that encompasses all other relevant and required orientation documents reviewed and distributed during the orientation sessions.

Neighbours is open to adjusting, revising, and updating our manual in order to better meet ODP's current requirements. We will do so in conjunction with ODP personnel (as we have done in the past) to assure we are revising in a fashion that is acceptable to ODP.

It should be noted that at our AE monitoring of June 15, 2011 the only request was the development of an incident management policy. There was no indication that anything else in our "AWC Operating Manual" was insufficient.

Point 3: Support Service Worker Training

Neighbours has carefully considered the requirements of ODP Bulletin 00-08-08 and additional ODP Bulletins, Waiver requirements, PA Code sections, and PA Guides which ODP Bulletin 00-08-08 cites. Neighbours has not located a requirement to provide on-going training to ME's or SSW's unless such additional training is requested by those individuals. Neighbours does not find that the bulletins or the applicable PA Code sections support assertions concerning Neighbours obligations as stated in the DAR performance audit report

Under Section B(5)(d) of Bulletin 00-08-08 (Provider's Roles and Responsibilities), it states that an AWC must provide: "The option for individuals and surrogates to train their qualified support service workers themselves, or participate in qualified support service worker training (initial and ongoing) provided by the AWC FMS provider." As per this requirement, Neighbours has provided training when requested by the ME (i.e. individual or surrogate), and has not interfered when they wished to provide training themselves.

Neighbours Director is present at ISP meetings to which he is invited. The Director has ongoing discussion - often via phone - with Support Coordinators, ME's and SSW's in regard to ISP goals and outcomes as needed. As part of the orientation for SSW's, the Director (as well as other staff of Neighbours), and the ME review the individual's ISP, with a focus on outcomes and required actions. During the orientation, the SSW signs off as to their understanding of the ISP and what is required on their part. Additionally, the Director provides day-to-day training and leadership as requested by the ME or SSW.

It should be noted that as per ISP Meeting Memo 037-13, page 3, the AWC Director is not required to attend the ISP meeting; the ME may be the designated representative of the AWC.

Point 4: Assist with Supervision and Management of SSW's as Requested

As per Bulletin 00-08-08, Neighbours stands ready to provide any supervision or management assistance as requested. We are deeply committed to the idea of self-determination -- that the person themselves (or their surrogate) is in control of their staff. We have found that the MEs are quite capable of managing staff, and take their role as day to day supervisor seriously, including preparing SSW's to do their jobs well. When requested, the Director of Neighbours has joined the ME for meetings with or trainings for their SSW's. However, this is not a highly requested service. Additionally, the Director is available to all ME's and their SSW's by phone, email and fax.

While we try to be respectful and not interfere when neither asked or needed, when requested we have responded immediately. Examples of this include, but are not limited to:

- ■■■: Our Director met with ■■■ and his staff on at least five occasions in 2009/2010. Topics covered included: documentation concerns; creation of new job descriptions; supporting the ME and SSW to organize appointments and transportation; technical assistance to the SSW and ME with managing budget and staff schedules; re-training of ME and SSW's on the role of the managing employer; discharge of an employee; overtime issues. On some of these occasions our Executive Director was also in attendance to provide additional training, support and assistance.
- ■■■: Our Director met with ■■■ and his staff on numerous occasions. Topics covered included: training to SSW regarding life skills, apartment maintenance, required medical appointments; circle meetings; discussion of SSW's required job responsibilities; review of potential SSW pay increment; training of SSW on documentation for qualification; and training on progress notes and how to complete them. This support was conducted over an ongoing series of meetings, and was provided by both our Director and Administrative Assistant.
- ■■■: On several occasions our Director met with SSW's to support the ME in working through issues around scheduled staff hours and the fact that SSW's can work no more than 16 consecutive hours, nor can they incur overtime. And, the Director also provided some ongoing training for AM's staff.

This is by no means a comprehensive list of management and supervision support provided to ME's, just a few examples to indicate the level of support provided when requested.

Point 5: Track, Monitor and Address ME Performance

The time sheets are approved by the ME, indicating that the ME is utilizing hours as per the ISP. Our Director receives and reviews all time sheets for accuracy, as well as correct provision of service as per the ISP. If there are any errors, our Director follows up with the ME. Additionally, there is a utilization report generated from this information and distributed monthly to both the County AE and the ME (which is reviewed internally by Neighbours as well).

If there are issues, the Director addresses those to the ME. In fact, one ME was put on a 90 day probation to address their performance issues.

Our Director attends ISP's to which he is invited each year (during the audit period, this encompassed about 70 percent of all ISP meetings for the ME's our AWC served) and utilizes those meetings to assess ME performance. He also attends some

home visits with the SC's (when deemed necessary by he, the SC, or others) which provides another opportunity to assess ME performance.

It should be noted that the AWC satisfaction survey was sent out October 2012 by US mail to 41 ME's, per the ODP mailing instructions. Neighbours received 22 replies to the survey and the results found that each ME who responded was very satisfied with the service. Questions in the survey included ME training; payroll process; and the support in managing the AWC service (Attachment D).

Neighbours has thoroughly reviewed the requirements of ODP Bulletin 00-08-08 and additional ODP Bulletins, Waiver requirements, PA Code sections, and PA Guides which ODP Bulletin 00-08-08 cites. Neighbours cannot find, within those materials, a requirement to track and monitor ME performance to the extent asserted in the DAR performance audit report. In fact, throughout our review, it is clear that the AWC organization is just a part of the overall home and community based service system. There are other individuals and entities that are responsible for the continual and ongoing monitoring of ME performance.

From our experience and on review of ODP Bulletin 00-08-08, the PA Code and other literature provided by ODP, we know that the Supports Coordinator is responsible for the ongoing and continual monitoring of the ME and SSWs. The Supports Coordinator monitors the implementation of the ISP regularly, to ensure that services meet the participants' needs as identified in the ISP, that participants have access to services, exercise free choice of provider, and that the services, waiver and non-waiver, are furnished at the duration, frequency and service type as specified in the plan. Information is systemically collected about the monitoring results and follow-up actions are recorded by the Supports Coordinator on a standardized form issued by ODP which is entered into HCSIS or retained in the participants record. SCOs are responsible to monitor the quality of the Supports Coordinators service and implementation of the service plan.

To provide a specific example of the tracking and monitoring responsibility of Supports Coordinators in the overall home and community based services system; for participants in the Waiver programs who receive a monthly service, the Supports Coordinator shall conduct a minimum of three (3) face-to-face monitoring visits every three (3) calendar months. Of these visits, at least one (1) of the visits must take place at the waiver participant's residence; one (1) visit must take place at the waiver participant's day service; and one (1) visit may take place at any place agreeable to the waiver participant. If a monthly service is not provided, ODP requires the Supports Coordinator to perform a face-to-face monitoring visit at least once every calendar month during the period of time when a monthly service is not provided. The ODP also provides oversight through the SCO provider monitoring process and AE oversight monitoring process.

B) Finding #2: Paid Claims did not have adequate documentation to support service delivery.

Point 1: Companion Care

It was noted in the March 2014 audit findings that a family member may not provide companion services. However, the ISP plan written by the Support Coordinator, which was approved and authorized by the Administrative Entity,

indicated that the nephew of one participant was the Provider of his service. Our role, as an AWC, is to provide services as approved in the ISP. Neighbours was acting in accordance with that role, working from the approved ISP and paying the appropriately identified and approved companion services provider.

It should also be noted that in this particular case the family member was a nephew, not a close or immediate family member.

There is a second such situation in which the family member providing services was **not** specifically indicated within the ISP. We accept responsibility for this particular situation.

Point 2: Time Sheet Errors

As discussed during the March 2014 audit, the PROMISE billing system has posed ongoing challenges regarding time sheet billing duration. When we contacted PROMISE Claims Resolution (as our billing was being denied), they instructed us to use the end date of the service period as the "from date of service" AND "to date of service". We have contacted them over 20 times total in order to appropriately address this issue, and this was always the instruction we received.

We did not realize that this solution was unusual or unacceptable until we were informed at the time of the audit. It should be noted that we did question doing the process this way, but Claims Resolution assured us this was how it should be handled. We will be happy to go back and re-bill if this will alleviate the issue.

We are confident that all units billed can be supported by time sheets. The over-billings and under-billings are the result of timing difference caused by the billing instructions we received from the PROMISE Claims Resolution. The Division of Audit and Review analyzed a selected time frame and extrapolated any net over-billing. We are confident that in the big picture, the timing differences offset and there has been no net over-billing. All billed time units can be supported by time sheets. We shared the above explanation at the time of the audit, and provided documentation to tie out the billing to the time sheets (Attachment E). We are happy to continue to work with Claims Resolution to sort out this issue, but it is a problem we are unable to solve on our own.

Point 3: Progress Notes

As per the PA Code, Chapter 51 regulations and ODP Bulletin 00-07-01, which, according to Bulletin 00-08-08, are the regulations that cover the required documentation for AWC services, non-intermittent services can be supported by a single monthly progress note if documentation substantiates that the services were provided within the billing period. Non-intermittent services are continuous, consecutive, approved services which would include ongoing caregiver support. Those are the primary services that Neighbours has been providing via our AWC.

Neighbours obtains both the SSW's and the person's or family member's (i.e. ME) signature on every time sheet and related documentation. The signatures confirm that all approved services were performed by the SSW in accordance with the person's needs and ISP. Neither the Audit team nor the ODP took the position that these time sheets were not an acceptable manner by which to meet the State's requirements. The time sheets demonstrate that the services were delivered to the person.

It should be noted that upon inception of the service, ODP provided us with several documents including one to maintain progress notes. The document provided by ODP at that time was for a monthly note. This particular note is still listed on ODP's website, and is designated as the appropriate documentation for AWC's to use for progress notes (Attachment F).¹

During our June 15, 2011 Monitoring (by the AE of the County of Philadelphia), progress notes for three (3) individuals were reviewed and found acceptable. No recommendation was made as to any needed changes.

The people we work for, their families, and/or Support Coordinators could surely attest to the services rendered, and what services were specifically performed by the SSW. If needed, affidavits could be produced by the person, family, Support Coordinator and SSW detailing all services that were provided in accordance with the person's ISP, and we would be happy to pursue such affidavits if it is helpful to this audit process.

Neighbours believes, in good faith, that all claims submitted for reimbursement are appropriately documented. If ODP feels that different progress or activity notes are required, then we question why others in the industry are unaware of such requirements, and why the County AE has not insisted upon adherence to such a policy.

While the bulk of our contracts are currently with the State of New Jersey, it should be noted that NJ does not yet operate on a fee for service basis. Every dollar paid by the State of NJ is for services directly provided within those contacts. No dollars may be used outside of that individual contact and there are no retained dollars

¹ Bulletin 00-08-08 refers AWC organizations to Bulletin 00-07-01 for instruction on the requirements for the preparation and maintenance of progress notes. PA Code §51.16 is the codification of Bulletin 00-07-01 and, as such, sets out the regulations governing the preparation and maintenance of progress notes. Bulletin 00-08-14, which is the Vendor Fiscal/Employer Agent Financial Management Services "guide," also directs VF/EA FMS organizations to Bulletin 00-07-01 for instruction on the requirements for the preparation and maintenance of progress notes. Furthermore, the VF/EA FMS instructions to the VF/EA FMS Progress Note Form, located on the ODP Consulting System website, provide, in relevant part:

A separate Progress Note must be completed for each SSW at the following frequency:

- Monthly - when the SSW or vendor provides the service at least once a month or more frequently.

OR

- Each time the SSW or vendor provides the service – when the service is provided on a less than monthly frequency.

As such, it appears that the requirements for progress note maintenance are to provide a monthly progress note for both AWC organizations and VF/EA FMS organizations. Additionally, on the ODP Consulting System website there is a Monthly Progress Note Form (DP 1010) without instructions, available for AWC use. Furthermore, on the same website there is a Monthly Progress Note Form available VF/EA FMS use, with instruction, which, as stated above, clearly require only a monthly progress note.

from those contracts. At the end of the contract year, all unused dollars are returned to the State of NJ.

Given the nature of our contracts, and our lack of a reserve or ability to retain dollars, the financial impact of this audit would put at risk the entire organization and the people with disabilities for whom we work, both in NJ and PA. It would definitely put us out of business in PA and may also lead to the same in NJ. We simply do not have the resources to pay such a penalty. If the assessment recommended by the DAR is administered by the ODP, it will cause us to leave Philadelphia and Bucks County without the vital and required AWC service offering.

Given all of the above, the monthly note — in conjunction with the time sheets which indicate that the services were provided in the billing period, approved by the ME, and delivered in accordance with the ISP— should suffice.

C) Finding #3: Neighbours is not in compliance with Medical Assistance Bulletin 99-11-05.

As an organization we strive to keep on top of all new bulletins, regulations, and CMS correspondence. Neighbours was not aware of the requirements of MA Bulletin 99-11-05. We have already taken necessary steps to assure compliance with requirements of this Bulletin moving forward. However, at this time, Neighbours has not been notified that its failure to comply with the requirements of the Bulletin has resulted in the payment of claims to providers who have been excluded from medical assistance programs.

Moving Forward

As it stands now, prior to the completion of this audit process, we are prepared to take the following corrective action, in conjunction with the recommendations of this audit, and will happily consider any additional action suggested by the auditors and ODP.

We have hired additional staff and, in fiscal year 2014, have three additional part time employees working in our AWC service:

- [REDACTED] works 10 hours/week and primary responsibilities include, but are not limited to:
 - maintaining appropriate documentation pertaining to qualification process
 - working with families around progress notes
 - providing ongoing support and monitoring to individuals and families
- [REDACTED] works 10 to 15 hours/week and primary responsibilities include but are not limited to:
 - meeting with families
 - training on ISP's
 - working with ME's and providing monitoring functions
- [REDACTED] works varied hours as needed, and primarily handles Spanish translation of materials.

We are in the process of updating our policies and procedures to coincide with ODP's new interpretation and/or policy pertaining to the PA regulations:

- Neighbours has updated our manual to include initial and ongoing monthly screening of staff to determine if they have been excluded from participation in federal health care programs as per MA Bulletin 99-11-05 (please see attachment G). As per this policy, our current practice is to complete monthly screening during the first payroll of each month. We are current on this process. It should be noted that the process we have adopted is the standard in the field. We are also in the process of developing a policy to meet federal screening requirements.
- While we believe the standard indicates monthly progress notes to be the requirement, Neighbours will consider updating our progress notes policy to require daily notes.
- We are in the process of updating our policy to assure that Companion Care is not provided by family members.

We are currently working with Therap to utilize their system to maintain detailed documentation, including progress notes. We had pursued this option prior to the audit, and it has been in the process of being initiated since early March 2014. We have reviewed the system with Bucks County and they are supportive of it. It takes Therap some time to set up the system; by August 1 the first five families will be using it.

Notwithstanding the fact that current ODP policy does not require ongoing trainings, we are offering the following in regards to additional trainings:

- Optional but encouraged quarterly trainings for ME's and SSW's
- Training topics at those quarterly trainings include:
 - Being a good ME or SSW
 - Understanding the ISP
 - Other topics as requested by ME's or SSW's
- A calendar of all of these trainings will be distributed at the start of each year

Notwithstanding the fact that current ODP policy does not require ongoing monitoring, in an effort to be responsive to this audit, we will consider meeting quarterly with ME's and SSW's as a monitoring mechanism. As has been our practice, we will continue to meet at any and all times, as requested by ME's or SSW's.

Conclusion

Neighbours has worked diligently to address, consider, resolve and/or correct any problems or issues associated with ODP's March 2014 Audit. We feel we have taken appropriate steps to address all findings within the report. We would like to continue to provide the AWC service in Philadelphia and Bucks Counties, and to do so within compliance of all rules and regulations. We ask that the DAR reconsider its finding that progress notes have not been kept in accordance with PA rules and regulations. Furthermore, we ask that the DAR remove its audit recommendation that ODP should assess a reimbursement and penalty of \$1,456,034 from the final performance audit report. Additionally, we request that the DAR limit its audit recommendation that the ODP assess a deficiency for Companion Care Services by family members to the one instance where payments was made to a close or immediate family member who was not specifically authorized and approved to perform Companion Care Services in the ISP. Lastly, we ask that the DAR reconsider

and review its analysis and extrapolation of the Time Sheet Errors. As explained above, we are confident that such errors are the result of timing differences created by required inputs into the PROMISE system. All time units that have been billed are supported by time sheets and there is no net over-billing resulting from such timing differences.