



January 14, 2014

Mr. David Sumo, Executive Director
S & S Behavioral Health Program, LLC
1 International Plaza, Suite 550
Philadelphia, Pennsylvania 19113

Mr. Eldon Scott, Member
S & S Behavioral Health Program, LLC
1 International Plaza, Suite 550
Philadelphia, Pennsylvania 19113

Dear Mr. Sumo and Mr. Scott:

I am enclosing for your review the final audit report of S & S Behavioral Health Program, LLC 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, 2011 to December 31, 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 Timothy N. Rausch in completing the audit process.

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

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

Sincerely,

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

bc: Mr. Alexander Matolyak
Mr. Daniel Higgins
Mr. David Bryan
Mr. Michael A. Sprow
Ms. Shelley Lawrence
SEFO Audit File (S1209)

Some information has been redacted from this audit report. The redaction is indicated by magic marker highlight. If you want to request an unredacted copy of this audit report, you should submit a written Right to Know Law (RTKL) request to DPW's RTKL Office. The request should identify the audit report and ask for an unredacted copy. The RTKL Office will consider your request and respond in accordance with the RTKL (65 P.S. §§ 67.101 et seq.) The DPW RTKL Office can be contacted by email at: ra-dpwtkl@pa.gov.



January 14, 2014

Mr. Brendan Harris
Executive Deputy Secretary of the Department of Public Welfare
Health & Welfare Building, Room 334
Harrisburg, Pennsylvania 17120

Dear Deputy Secretary Harris:

In response to a request from the Office of Developmental Programs (ODP), the Bureau of Financial Operations (BFO) initiated an audit of S&S Behavioral Health Program, LLC (S&S). 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, 2011 to December 31, 2012 (Audit Period).

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

Executive Summary

S&S provides services to consumers who are enrolled by ODP. S&S works with developmental disability organizations in Chester, Delaware and Philadelphia Counties to provide in-home habilitation and other services to consumers with intellectual disabilities.

S&S provides services through participation in the Home and Community – Based Services (Consolidated, Person/Family Directed Supports and Autism) waiver programs.

Subsequent Events

S&S stopped providing services to ODP consumers as of [REDACTED]. S&S's two controlling members formed two new entities which have since been licensed, approved and are now delivering services to ODP consumers, many of whom were S&S's previous consumers. Management has represented that S&S is presently inactive. The two new entities are: [REDACTED] formed on [REDACTED] and [REDACTED] formed on [REDACTED] (New Entities). The New Entities continue to operate at present. Due to these circumstances, several recommendations are addressed to both S&S and the New Entities.

S&S Behavioral Health Program, LLC
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The report findings and recommendations for corrective action are summarized below:

FINDING	SUMMARY
Finding No. 1 – No Effective Internal Controls Over PROMISe Billings Existed During the Audit Period.	No effective system of internal control, review or reconciliation of PROMISe billings existed during the Audit Period. S&S is now inactive and the New Entities now serve many of S&S’s previous consumers.
HIGHLIGHTS OF RECOMMENDATIONS	
<p>ODP should:</p> <ul style="list-style-type: none"> • Monitor the New Entities (and S&S, if it becomes active again) to ensure that an effective set of internal controls over PROMISe billings is designed and implemented. <p>S&S and the New Entities should:</p> <ul style="list-style-type: none"> • Design and implement an effective set of internal controls over PROMISe billings. 	

FINDING	SUMMARY
Finding No. 2 – PROMISe Claims Were not Adequately Documented.	A statistically valid random sample (SVRS) of PROMISe claims was tested for adequacy of supporting documentation. The result was that 22.86% of the ODP claims were inadequately documented. Extrapolating these variances over the entire population of reimbursed claims results in a disallowance of \$161,028. Analysis of paid claims outside of the SVRS resulted in an additional disallowance of \$955.
HIGHLIGHTS OF RECOMMENDATIONS	
<p>ODP should:</p> <ul style="list-style-type: none"> • Recover \$161,983 from S&S, its members, and/or the New Entities due to the unsupported claims. • Continue to ensure that S&S and the New Entities comply with programmatic and regulatory guidelines for PROMISe claims. <p>S&S and the New Entities should:</p> <ul style="list-style-type: none"> • Only claim reimbursements for services rendered and retain adequate documentation for each claim submitted to PROMISe. 	

**S&S Behavioral Health Program, LLC
July 1, 2011 Through December 31, 2012**

FINDING	SUMMARY
Finding No. 3 - Progress Notes Were Rarely Descriptive of Home and Community Habilitation.	For many consumers, the Progress Notes were often generic in nature such that it could not be determined whether habilitation and/or companionship services were provided. From the descriptions given, it appeared that each service was rendered for a part of any given day; however, many times only Home and Community Habilitation (HCH) was reimbursed. Undocumented reimbursements of \$7,344 should be recovered.
HIGHLIGHTS OF RECOMMENDATIONS	
<p>ODP should:</p> <ul style="list-style-type: none"> • Recover \$7,344 from S&S, its members, and/or the New Entities due to unsupported claims. • Monitor S&S and the New Entities to ensure that care-givers prepare daily progress notes that detail the activities of each day. This includes describing the respective companionship and/or habilitation services rendered. <p>S&S and the New Entities should:</p> <ul style="list-style-type: none"> • Require care-givers to prepare progress notes that are specific to each day's activities and that describe the nature of the services rendered as prescribed by the consumer's Individual Service Plan (ISP). 	

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

Results of Fieldwork

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

S&S had two controlling members, each of whom managed the care of their respective consumers. After several discussions with the members and analysis of processes, BFO determined that no effective oversight, proof or internal review was made of the information submitted to PROMISe nor was it reconciled to the underlying documentation. It is likely that some errors and omissions resulted from such a lack of internal control.

Since the Audit Period, S&S has become inactive while the operations and consumers have been split between the two New Entities, each of which is separately owned by S&S's previous members. (Please see Subsequent Events above).

S&S Behavioral Health Program, LLC
July 1, 2011 Through December 31, 2012

Recommendations

The BFO recommends that ODP monitor the New Entities (and S&S, if it becomes active again) to ensure that an effective set of internal controls over PROMISe billings is designed and implemented.

The BFO also recommends that S&S and the two New Entities design and implement an effective set of internal controls over PROMISe billings.

Finding No. 2 – PROMISe Claims Were not Adequately Documented.

Analysis of the underlying documentation to support some of the PROMISe reimbursements indicated that some of the ODP claim documentation was inadequate, incomplete or had duplicates.

A SVRS of paid claims was analyzed to verify the care-giver's eligibility to provide services and the delivery of those services. In order for claims to be considered valid, each one must be supported by a qualified care-giver's timesheets, documentation of the quantity and type of service, and a daily descriptive progress note. The BFO's analysis found that 22.86% of the ODP claims were not supported by adequate documentation.¹

The nature of the errors is as follows:

- Some claims tested were not fully supported by timesheets because the hours/units attested to on the timesheets were different than the number reimbursed. Most of the variances were over-billings while a few were under-billings. The shortages and overages were used to arrive at the net variance.
- In two instances, the PROMISe reimbursement was not supported by adequate progress notes. The ODP standard is that descriptive daily progress notes are required and must state the day's habilitative efforts. In this case, the progress notes were a duplicate of earlier notes.
- A few timesheets did not have any starting or ending times. Rather, the space provided for listing the times of service was simply left blank.

Extrapolation of the sample errors over the total PROMISe reimbursements for the audit period resulted in a recommended disallowance of \$161,028.

We also noted that another care-giver did not get paid for services rendered to a consumer. Nonetheless, PROMISe was billed and the claim was paid. This was an error because the delivery of service cannot be supported through payment to the care-giver. As a result, an additional \$955 was disallowed.

¹ 55 Pa. Code Chapter 51, §51.13 Ongoing Responsibilities of Providers, §51.15 Provider Records and §51.16 Progress Notes. Also, 55 Pa. Code Chapter 1101 §1101.11 General Provisions and §1101.51 Ongoing Responsibilities of Providers

S&S Behavioral Health Program, LLC
July 1, 2011 Through December 31, 2012

Recommendation

The BFO recommends that ODP recover \$161,983 from S&S, its members, and/or the New Entities for unsupported claims.

The BFO also recommends that ODP continue to monitor S&S and the New Entities to ensure compliance with programmatic and regulatory guidelines, particularly with respect to PROMISE claiming.

The BFO further recommends that S&S and the New Entities only claim reimbursements for services rendered and retain adequate documentation for each claim submitted to PROMISE.

Finding No. 3 - Progress Notes Were Rarely Descriptive of Home and Community Habilitation.

Daily progress notes are required to document the delivery of services and to describe activities related to developmental goals and outcomes. The descriptions of activities must be based upon the goals, methods and results listed in the current ISPs. The daily descriptions of activities and results are evidence of the progress (or lack thereof) toward the outcomes specified in the ISPs. S&S's internal procedures are such that the progress notes are entered on what is known as the "Daily Log".

S&S's progress note entries seldom listed specific activities in support of habilitation. The notes (logs) were usually general descriptions of planned or expected activities rather than itemized and specific habilitation acts, efforts or endeavors and their resulting effect on the goals of the consumer.

Additionally, the descriptions are particularly relevant where a consumer has been approved for more than one kind of service. For instance, a consumer who has been approved for both companionship and habilitation services needs narrative descriptions of both services on his or her progress notes. The details of the descriptions would differ by service type because the nature of the services is different, as are their respective reimbursement rates. In certain cases, the BFO could not distinguish one service from another, even when both were reimbursed.

Additional tests were performed for certain consumers who received both companionship and home and community habilitation services. Since the progress notes were indefinite as to when companionship stopped and habilitation commenced (or visa-versa), time sheets for both services were compared to billings for both services. In several instances the units reimbursed exceed the units documented on the time sheets.² The disallowed amount for the unsupported claims totals \$7,344.

² 55 Pa. Code Chapter 51, §51.13 Ongoing Responsibilities of Providers, §51.15 Provider Records and §51.16 Progress Notes. Also, 55 Pa. Code Chapter 1101 §1101.11 General Provisions and §1101.51 Ongoing Responsibilities of Providers

S&S Behavioral Health Program, LLC
July 1, 2011 Through December 31, 2012

Recommendations

The BFO recommends that ODP recover \$7,344 from S&S, its members, and/or the New Entities due to unsupported claims.

The BFO also recommends that ODP monitor S&S and the New Entities to ensure care-givers prepare daily specific progress notes describing the respective companionship and/or habilitation services rendered.

Finally the BFO recommends that S&S and the New Entities require care-givers to prepare progress notes that are specific to each day's activities and that distinguish the nature of the service(s) rendered.

Exit Conference

On November 26, 2013, an Exit Conference was held at S&S's offices to discuss the draft report and the response thereto. At that time, S&S's management presented third party documentation showing that an employee, who had been found guilty of a prohibited offense, currently has the necessary good character, experience and credentials required to be employed in delivery of waiver funded health services.

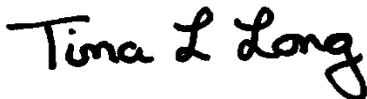
Based on this third party documentation, the BFO reduced the disallowance in the draft report by \$25,570.

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

RA-pwauditresolution@pa.gov

The response to each recommendation should indicate the program office's concurrence or non-concurrence, the corrective action to be taken, the staff from the program office 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: Ms. Rochelle Zaslou
Mr. Timothy O'Leary
Ms. Patricia McCool
Ms. Deborah Donahue

bc: Ms. Karen Deklinski
Mr. Alexander Matolyak
Mr. Daniel Higgins
Mr. David Bryan
Mr. Michael A. Sprow
Ms. Shelley Lawrence
SEFO Audit File (S1209)

S & S BEHAVIORAL HEALTH PROGRAM, LLC

APPENDIX A

APPENDIX A

Background

S&S is a Pennsylvania Limited Liability Company (for profit business) formed on September 24, 2009. Its sole office is in Philadelphia, PA. S&S provides services to consumers who are enrolled by ODP. S&S works with developmental disability organizations in Chester, Delaware and Philadelphia Counties to provide Home and Community Based services to consumers with intellectual disabilities.

S&S assists consumers to acquire and maintain the highest possible level of independent living by providing habilitation, companionship, nursing, respite and other services.

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

Objective/Scope/Methodology

The audit objective, developed in concurrence with ODP was:

- To determine if S&S has adequate documentation to substantiate its claims as reimbursed by PROMISe for home and community-based services.

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

In pursuing this objective, the BFO interviewed ODP personnel and S&S's management. We also analyzed books, payroll records, care-givers' time sheets, progress notes, bills, receipts, PROMISE reimbursement data, electronic records available in the Home and Community Services Information System (HCSIS) and other pertinent data necessary to pursue the audit objective.

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

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient 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 intermittently from March 4, 2013 to November 26, 2013 and was performed in accordance with GAGAS. This report, when presented in final form, will be available for public inspection.

Conclusion on the Objective

S&S did not always meet the documentation requirements necessary to support its PROMISE reimbursements. Significant billing errors, inadequate documentation and a lack of internal control resulted in a total recommended disallowance of \$169,327.

S & S BEHAVIORAL HEALTH PROGRAM, LLC
RESPONSE TO THE DRAFT REPORT
APPENDIX B

S&S Behavioral Health Audit Response

December 8, 2013

I am writing to dispute part of the audit report made against S&S Behavioral Health. I want to thank you for the opportunity given [REDACTED] and [REDACTED] to discuss with you our concerns regarding the final audit report.

These are the areas of concern and areas that we believe should not be counted as disallowance.

1. The claim bill for the client [REDACTED] is legitimate and should be reinstated and not be counted as disallowed claim. The reason for disallowing these claim is based on the report that the staff providing the service was not qualified to work due to her past criminal history. I object to this claim, citing the Nixon amendment, which allow an individual with past criminal records but have work with other entity doing the same of service with no further record, to be allow to work. [REDACTED] work with [REDACTED] in the past, and was highly recommended by the [REDACTED]. With that reference in hand and the recommendation from the [REDACTED], we felt she qualified for being accepted into employment. This can be verified by documents on file. In the report you disallowed a total amount of \$3615.00. We strongly believe this amount should be reinstated.
2. The services provide for [REDACTED] were also disallowed due to the error on the daily log by the staff. As you can compare the note to the billing the weeks in question were verified by the parent, and the billing were accurate according to the ISP. I believe the signature of the [REDACTED] indicate that services were provided. I understand that the lack of time in and time out makes it difficult to know how many hours were provided, but the date of service, and all verifiable indications were on the log. I make the point of saying that those claim should be allowed base on the fact that they were bill accordingly.

Finally, S&S Behavioral Health was a company in its infancy and infrastructure were not very strong. We were very committed to providing the best of services for the individuals we serve. This was what we did and it can be verified by the individuals we serve. We have learn from this and have decided to move into different directions.

We want to make it clear that the disallowance that is issue in the audit report does not clearly reflect lack of services, but rather poor documentations and lack of extensive oversight.

Thanks once again for giving us the opportunity to respond to the final audit report of S&S Behavioral Health.

[REDACTED]