



November 27, 2012

Mr. Stefan A. Manz
Executive Director
Tri County Patriots for Independent Living
69 East Beau Street
Washington, Pennsylvania 15301

Dear Mr. Manz:

Enclosed for your review is the final audit report of Tri County Patriots for Independent Living (TRIPIL) which was recently completed by this office.

Your agency's response has been incorporated into the final report and is labeled Appendix A.

The final report will be forwarded to the Department's Office of Long Term Living (OLTL) to begin the Department's resolution process concerning the report contents. The staff from OLTL may be in contact with you to follow up on the corrective action actually taken to comply with the report's recommendations.

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

If you have any questions please contact Mr. Michael J. Kiely, Audit Manager of the Western Field Office, at (412) 565-2187.

Sincerely,

A handwritten signature in black ink that reads "Tina L Long". The signature is written in a cursive, slightly slanted style.

Tina L. Long, CPA
Director

Enclosure

c: Ms. Bonnie Rose
Mr. Michael Hale
Ms. Sallee Rowe

bc: Ms. Karen Deklinski
Mr. Alexander Matolyak
Mr. David Bryan
Ms. Kenya Faulkner
Ms. Shelley Lawrence
Mr. Michael Kiely/WFO (W1001)
WFO Audit File (W1001)

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.

November 27, 2012

The Honorable Gary Alexander
Secretary of Public Welfare
Health & Welfare Building Room 333
Harrisburg, Pennsylvania 17120

Dear Secretary Alexander:

In response to a request from the Office of Long-Term Living (OLTL), the Bureau of Financial Operations (BFO) performed an audit of Tri County Patriots for Independent Living (TRIPIL) Services, Inc. Our audit covered the period July 1, 2011 to March 27, 2012.

The contents of this report were discussed with TRIPIL management at an exit conference on October 24, 2012. TRIPIL subsequently provided an addendum to their response on November 8, 2012. The response and the addendum do not refute the findings in the draft report. Instead, they include an explanation of why the findings occurred and request a waiver of the questioned costs. As such, the findings remain as written in the draft report. TRIPIL's response to the report is attached as Appendix A.

Executive Summary

ISSUE	SUMMARY
<p>Issue No. 1 – Supports Coordination Billings of \$135,778 Were Not Supported by Case Records.</p>	<p>TRIPIL was unable to provide documentation to support 55.91% of Independence Waiver, 41.54% of OBRA Waiver, and 34.69% of Attendant Care Waiver Supports Coordination units of service that were paid through PROMISe for the period July 1, 2011 through March 27, 2012.</p>

HIGHLIGHTS OF RECOMMENDATIONS

OLTL Should:

- Recover \$135,778 from TRIPIL to reflect the undocumented Supports Coordination claims.

ISSUE	SUMMARY
<p>Issue No. 2 – Non-Medical Transportation Billings Included Claims For Ineligible Services.</p>	<p>Our testing of a sample of Non-Medical Transportation (NMT) claims identified ineligible costs claimed that represented 91.75% of tested waiver payments. An extrapolation of these errors results in a total recommended recovery of \$95,055.</p>

Tri County Patriots for Independent Living
July 1, 2011 to March 27, 2012

HIGHLIGHTS OF RECOMMENDATIONS

OLTL Should :

- Recover \$95,055 relating to ineligible NMT claims.

TRIPIL Should:

- Develop written policies and procedures to ensure appropriate staff reviews of reimbursement requests for verification that Personal Assistance Services (PAS) were not provided simultaneously with NMT services, and transportation was not provided by family members or friends.

Background

TRIPIL Services, Inc. is a 501 (c) (3) non-profit corporation located in Washington, Pennsylvania. It was created to provide Medicaid and state funded Attendant Care services.

DPW's Attendant Care Program allows consumers to live in their home and community rather than in an institution, and to receive assistance with carrying out activities of daily living, self-care and mobility. The Attendant Care Program is designed to ensure that the consumer achieves and maintains independence.

Attendant Care is funded using various federal Waiver (Attendant Care, Independence, OBRA and Commcare) and state (Act 150) monies.

Objective, Scope, Methodology

On April 18 and 19, 2012 we conducted an audit survey at TRIPIL to assess their controls and audit risk with respect to various procedure code billings. Our survey included an assessment of PAS, Supports Coordination (SC), Financial Management Services (FMS) and NMT. As a result of the survey, SC and NMT were selected for audit.

Our audit objective was:

- To determine if TRIPIL has adequate documentation to support claims for the period July 1, 2011- March 27, 2012.

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 their effectiveness. Based on our understanding of the controls, certain material deficiencies came to our attention. Areas where we noted material deficiencies or an opportunity for improvement in management controls are addressed in the findings 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

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

The BFO's fieldwork was conducted between May 3, 2012 and May 23, 2012 and was performed in accordance with GAGAS. This report, when presented in final form, will be available for public inspection.

Results of Fieldwork

**Issue No. 1 – Supports Coordination Billings of \$135,778 Were Not Supported
By Case Records.**

TRIPIL billed PROMISe for Supports Coordination services for which there was inadequate documentation to support claims. The Code of Federal Regulations at 42 CFR 441.18 (a) (7) requires that providers maintain case records that document for all individuals receiving case management:

- (ii) The dates of the case management services, and;
- (iv) The nature, content, units of the case management services received and whether goals specified in the care plan have been achieved.

As part of our audit we tested random samples of Independence Waiver (procedure code W1877), OBRA Waiver (W6100), and Attendant Care Waiver (W1794) Supports Coordination claims. Units billed are one hour per week for the Independence Waiver, one unit per week for the OBRA Waiver, and one unit per month for the Attendant Care Waiver. We examined TRIPIL's Supports Coordination consumer files and HCSIS records for evidence of billable Supports Coordination activity that corresponded to the dates of service for the items in the audit sample.

This testing found no documentation to support Supports Coordination claims for 55.91% of the Independence Waiver sample, 41.54% of the OBRA Waiver sample, and 34.69% of the Attendant Care Waiver sample.

Based on these percentages extrapolated over total paid claims for each of the three waivers, the projected unsupported claims for each waiver are as follows:

Waiver	Total Paid Claims	Sample Error Rate	Unsupported Claims
Independence	\$ 125,476	55.91%	\$ 70,154
OBRA	\$ 139,875	41.54%	\$ 58,104
Attendant Care	\$ 21,678	34.69%	\$ <u>7,520</u>
TOTAL			\$ <u>135,778</u>

Recommendation:

The BFO recommends that the OLTL recover \$135,778 from TRIPIL to reflect Supports Coordination claims for which there was no documentation that service was provided.

Issue No. 2 – Non-Medical Transportation Billings Included Claims For Ineligible Services.

Under the Home and Community Based Services Waiver plan, Non-Medical Transportation (NMT) services (procedure code W6110) are offered in order to enable participants to gain access to waiver services and other community activities and resources as specified in the service plan. Eligible NMT services include the cost of drivers or other personnel to transport the consumer and/or the cost of public transportation tickets or tokens.

Waiver requirements place a number of limitations on this service including:

- It cannot be provided simultaneously with Personal Assistance Services (PAS).
- “Whenever possible, family, neighbors, friends or community agencies which can provide this service without charge should be utilized.”

Our review of the documentation supporting the sampled claims identified that 91.75% of the claims were ineligible for reimbursement. These included services provided by a consumer’s family members or friends, or provided by a consumer’s attendant on the same day that the attendant was paid for PAS services. Because TRIPIL’s travel reimbursement forms did not indicate the time of day that W6110 services were provided, TRIPIL could not support that the NMT services did not overlap the PAS times.

An extrapolation of our sample of NMT ineligible claims over the universe of total paid claims for the audit period of \$103,602 results in projected ineligible NMT claims of \$95,055.

Recommendations:

The BFO recommends that the OLTL recover \$95,055 from TRIPIL relating to ineligible NMT claims.

The BFO also recommends TRIPIL develop written policies and procedures to ensure claims have adequate documentation to support that PAS is not provided simultaneously with NMT and that family members or friends are not reimbursed for NMT services.

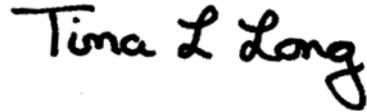
In accordance with our established procedures, an audit response matrix will be provided to the OLTL. Once received, the OLTL should complete the matrix within 60 days and email the Excel file to the DPW Audit Resolution Section at:

RA-pwauditresolution@pa.gov

Tri County Patriots for Independent Living
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The response to each recommendation should indicate the OLTL's concurrence or non-concurrence, the corrective action to be taken, the OLTL staff responsible for the corrective action, the expected date that the corrective action will be completed, and any related comments.

Sincerely,

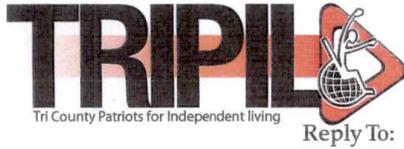
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Tina L. Long, CPA
Director

bc: Ms. Karen Deklinski
Ms. Bonnie Rose
Mr. Michael Hale
Ms. Sallee Rowe
Mr. Alexander Matolyak
Mr. David Bryan
Ms. Kenya Faulkner
Ms. Shelley Lawrence
Mr. Michael Kiely
Audit File W1001

**TRIPIL
RESPONSE TO THE DRAFT REPORT**

APPENDIX A



Reply To:

Reply Phone:

November 8, 2012

Mr. Michael J. Kiley
Department of Public Welfare
Bureau of Financial Operations
Western Field Office
Room 320, 11 Stanwix Street
Pittsburgh, PA 15222

Dear Mr. Kiley,

In follow up to our meeting on Wednesday, October 24, 2012, enclosed is a copy of the original TRIPIL Services response to the BFO audit as well as an Addendum listing additional areas that we would like you to take under consideration.

We sincerely appreciate the opportunity to submit this additional information for your kind consideration of our request.

Sincerely,

Stefan A. Manz
Executive Director
TRIPIL Services

Advocacy Leads to Change



Reply To:

Reply Phone:

October 8, 2012

Mr. Michael J. Kiely
Department of Public Welfare
Bureau of Financial Operations
Western Field Office
Room 320, 11 Stanwix Street
Pittsburgh, PA 15222

Dear Mr. Kiely,

TRIPIL Services requests an exit conference in accordance to the instructions in letter received from Tina Long, CPA, Director of DPW's Bureau of Financial Operation. We are responding to Ms. Long's September letter detailing the "draft of a proposed audit report" for TRIPIL Services. TRIPIL Services does not concur with the conclusions and findings outlined in the Executive Summary of the draft report.

For context for the audit for the period July, 2011, to March, 2012, it is important to understand the significance of the background issues that contributed to your department's findings. From a financial perspective, July 2011 marked the period of time in which providers experienced the "unbundling" of rates for Service Coordination (SC), Financial Management Services (FMS) and Personal Assistance Services (PAS). As a long time Provider to DPW for these same services, TRIPIL Services was historically able to follow DPW instructions to utilize the "administrative" portions of our rate or else use the "cost plus" portions of our

Advocacy Leads to Change

rate to offset deficits or fees without "administrative" or "cost plus" factors that were available in other service rates. For example, TRIPIL Services continued to have the responsibility to facilitate the provision of Home Modifications, PERS, and Non-Medical Transportation for which our costs to administer are not factored into the rate. These "pass through" services were provided with no cost reimbursement from OLTL. Our real costs that were never reimbursed include staff personnel costs, staff travel, and credit to the State forced by TRIPIL Services pre-paying all cash up front to another provider all costs up to \$10,000 for 2 to 12 months prior to reimbursement.

TRIPIL Services recognizes that providers must work towards a new system of clearly defined cost centers where each service stands alone with a supporting rate. The loss of the "administrative" portion to the Consumer-Employer Attendant Care has stripped TRIPIL Services of 90% of revenue normally available to support general operations that sustain all the services supporting the consumer. Since the practice of mixing revenues in order to cover operating and indirect costs was no longer permissible, TRIPIL Services was forced to cut staff and not fill vacant positions even though case load sizes were growing. Previously, DPW has set a standard for Service Coordinators to carry no more than 29 individual cases as the upper limit. During our adjustment period, Service Coordinators were forced to cover as many as 65 individual cases. Additionally, TRIPIL Services experienced the unexpected death of a Service Coordinator as well as several unexpected resignations thereby placing a significant amount of pressure on the remaining staff.

During this time, OLTL issued a number of rapid fire and confusing directives regarding non-medical transportation, FMS, and service coordination. It was difficult at time to understand

these directives, OLTL explanations were vague, and questions put to OLTL officials were deferred rather than answered clearly. Quarterly provider meetings were often the most frustrating because the most often used response by OLTL was "we'll have to get back to you". Ultimately, OLTL provider meetings were suspended. Over time, answers and understanding became more available, but we are not able to compensate for those periods in which we were diligently working without understanding.

As we discovered, some of the OLTL directives were also very confusing to our consumers. In particular, new the requirements restricting non-medical transportation were vastly different than prior practice for consumers who have been on the program for many years. As you know, there is limited, frequently non-existent, accessible public transportation in most of our rural communities so most travel is done with a personal vehicle. OLTL's continues to encourage consumers to become more integrated into the community. For our region, that means that personal vehicles will be used much of the time. TRIPIL Services has an obligation to respect consumer choice in accessing the transportation service for consumers. But we are only now learning through this audit process, with our consumers, what the DPW wants in terms of implementation of the new rules and the resulting impact.

TRIPIL Services financial burden in terms of debt now exceeds \$1,000,000. TRIPIL Services has incurred this debt as a result of OLTL policy changes, yet because of its mission, continues to place the consumer's needs first and do whatever it takes on their behalf. This is the price of consumer satisfaction.

Issue #1 – Supports Coordination

TRIPIL Services requests that the Department reconsider the amount to be recovered from TRIPIL Services for "undocumented

Supports Coordination activities.” From a provider perspective the reimbursement rate for Supports Coordination has historically been inadequate to compensate provider organizations for all of the costs associated with the provision of this service. Providers have also been adversely impacted by the implementation of “restricted funds.” The Department’s narrow definition of billable activity does not take into consideration the full scope of the interaction and personal dialogue that takes place between a service coordinator and the consumer which would not be appropriate to document in such a public forum as HCSIS. The assumption that there must be a service note to reflect every billing should be considered erroneous in that it negates the rights of the consumer not to have the details of their lives displayed for all to see. TRIPIIL Services, as well as other statewide Service Coordination Providers, historically considered the reimbursement rate for Supports Coordination to be a maintenance fee per consumer for the provision of this service. It was never our Agency’s intention to misrepresent the provision of Supports Coordination services in our claims submitted through PROMISE.

TRIPIL Services has initiated a process of tracking service coordination activities with additional supervisory review prior to submission of any billings. Each service coordinator maintains an Excel spreadsheet that reflects their billable service coordination activities each day for every consumer. These spreadsheets are submitted weekly to the SC Supervisor for review and verification of billable activity via examination of service notes in HCSIS.

Issue #2 – Non-Medical Transportation

TRIPIL Services requests that the Department reconsider the amount to be recovered from TRIPIL Services for Non-medical Transportation “billings ... for ineligible services.”

The publication of the 2010 Independence Waiver Standards did not include a summary of the most salient changes in the service definitions and provider qualifications. The standards do not include a table of contents, index, glossary, or any other reference tool to assist providers in assimilating the content of the documents.

The standards do not specifically stipulate that the exact times of each trip must be documented for comparison with timesheets for the same time frame. The transportation reimbursement forms that were implemented by TRIPIL Services include the following language: “My signature below affirms that these services were not provided simultaneously with personal assistance services.” It was our interpretation of the standards that a signed affirmation would be sufficient to be in compliance.

The procedure adopted by TRIPIL Services to process transportation reimbursement requests now includes a comparison to the timesheets presented for the time frames shown on the reimbursement form. The reimbursement form was redesigned to include start and end times for each trip.

TRIPIL Services did not become aware of the change in service definition and provider qualifications until the summer of 2011 during a conference call of representatives from several provider organizations came together to discuss quality assurance concerns. It was during that conference call that TRIPIL Services learned that other providers were still in the process of planning for transition to the “new” standards.

On [REDACTED], TRIPIL sent a letter along with an explanation of the changes to the service definition and provider qualifications, as well as the medical and eye exam form. An informational session was offered at our [REDACTED] office on [REDACTED], and at our [REDACTED] office on [REDACTED]. In order for a consumer's Non-Medical Transportation service to continue after [REDACTED], it was necessary for them to provide documentation of provider qualifications by [REDACTED].

TRIPIL Services received twelve appeals from consumers regarding our decision to terminate Non-Medical Transportation services. From an advocacy perspective, we fully supported our consumers in their decision to appeal. However, we were bound by the standards. We continued to honor reimbursement requests during the appeal process.

Every consumer's Individualized Service Plan has time allocated for assistance in the community such as, shopping, banking, errands, escorting to appointments, and attending church services. Transportation services are a vital link to community access. The state's change of the provider qualifications and service definition has adversely impacted our consumers who have depended on this vital link to access the community.

TRIPIL Services, whenever possible, carries out the practices set forth in the standards in a manner that is most favorable to the consumer. Historically all previous audits performed by the Office of Long Term Living, Bureau of Financial Operations and Department of Health have found minimal non-compliant issues.

As a follow up to preliminary meeting with your staff, in addition to implementing safeguards mentioned above, TRIPIL Services also dealt with staff responsible for the oversight of the reporting and billing processes. The billing function that was previously

under the supervision of program staff was transferred to the TRIPIL Business office. The former Supervisor of the Billing Department and her immediate supervisor, the Deputy Director of TRIPIL Services have been dismissed. Additionally, the Service Coordinator Supervisors received poor performance appraisals as a result of their negligence.

Finally, TRIPIL Services has chosen to discontinue providing Service Coordination and has chosen rather to continue providing Attendant Care Services.

TRIPIL Services recognizes that the Bureau of Financial Operations has recommended to OLTL that financial sanctions be given to the organization. We request that this recommendation be waived given TRIPIL Services current financial situation as it will negatively impact consumers receiving services. We do understand that a sanction is warranted and request that it be in the form of a written reprimand.

We appreciate the opportunity to meet with you to further discuss our mutual concerns.

Sincerely,



Stefan A. Manz
Executive Director
TRIPIL Services



Kathleen P. Kleinmann
Chief Executive Officer
TRIPIL

Addendum

Following are key points to support our request not to impose a financial penalty or sanction as a result of the audit results:

1. TRIPIL Services was created with the specific intention of being a non-profit, consumer driven provider to OLTL utilizing the Consumer-Employer model. There are no other significant funding streams to the agency. Assessment of the non-allowable costs from the audit, in the amount of \$230,833, would likely be fatal to TRIPIL Services.
2. TRIPIL Services has sought to be a partner with DPW in the provision of home-based care since 2000. The economic consequences of the state-wide rapid, sweeping program changes have overwhelmed the normal balance of TRIPIL Services. The board and staff have been slow to respond in an effort to protect consumers from disruption and worry.
3. Monies that had been negotiated and used in the past to provide administrative services were no longer available. They were now in a restricted account. TRIPIL's only hope to continue business was that some portion of this money would be ultimately given to TRIPIL Services for basic operation and management services to the program.
4. TRIPIL Services stretched resources and invested in new staff positions for the Fiscal Management Services under the guidance of OLTL. Unexpectedly, OLTL issued a RFA for centralized providers in the state and TRIPIL Services was unexpectedly left with expenses that were not yet covered by activities and now never would be covered by revenue. Furthermore, our efforts to cease providing services ([REDACTED])

were met with repeated requests from OLTL to extend our expenditures and service. Consequently, TRIPIL Services has been running this program without an adequate funding support.

5. During the period that was audited, consumers had questions and concerns. There were no concrete answers and some confusing directives. We could not get answers for them or for ourselves. But, TRIPIL Services had to respond to them using our best judgment, with a low staff to consumer ratio. As we had done in the past, our staff responded and provided the service to our consumers the best that we could in uncertain times. The service was, in fact, always provided. The service notes suffered and our understanding of new safeguards, unknown to us, were not followed. We take this work very seriously and know we could jeopardize our consumers if we fail to act. We chose to service our consumers when they needed us.

6. Service Coordinator caseloads increased 100%. A prior maximum of 29 consumers increased to as many as 65. With such an increase, it is easy to understand how case notes were missed. These notes were missed because we were servicing our consumers. Our consumers needed our services, and we serviced them when they needed us.

7. In good conscience we could NEVER let our consumers down. Yes we missed documentation, misinterpreted numerous directives, cut staff to the bare bones, but we NEVER let our consumers go without services. We know that lives hang in the balance. You cannot recover from death. We chose to service our consumers when they needed us.

8. TRIPIL Services is in debt in excess of \$1,000,000. We have taxed our staff to the near braking point. We exist financially from payroll to payroll. Imposing additional sanctions cannot be absorbed; this would mean death to the organization that has

been a provider of long term care services for DPW to consumers for over 22 years. We need you now.

9. We have been and are making the needed changes so that the issues outlined in the audit are being addressed. Departments have been transferred, staff has been laid off, procedures are being put in place, and we are doing what you want us to do. We need the forgiveness of this assessment so that we can continue to service our consumers when they need us. Please choose life for TRIPIL Services.

10. Finally, TRIPIL Services will cease being a provider of Service Coordination and Transportation Services under all of the programs of OLTL. Our audit demonstrated our excellence in systems relative to direct care. TRIPIL Services will put its ongoing effort and resources into improvements in this service to consumers in cooperation with OLTL.

