

**DEPARTMENT
OF
DEVELOPMENTAL SERVICES
AUDIT
OF
I CAN TOO LEARNING CENTER, LLC**

Programs and Services:

Infant Development Program – HS0468, HS0698

Client/Parent Support Behavior Intervention Training – PS0044

Audit Period: July 1, 2011 through June 30, 2012

Audit Branch

Auditors: Michael Masui, Chief of Vendor Audits
Alton Kitay, Supervisor
Aaron Lomanto, Lead Auditor
Pardeep Deol, Auditor

I CAN TOO LEARNING CENTER, LLC

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EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited I Can Too Learning Center, LLC (ICT). The audit was performed upon the Infant Development Program and Client/Parent Support Behavior Intervention Training, for the period of July 1, 2011, through June 30, 2012.

The results of the audit disclosed the following issues of non-compliance:

Finding 1: Infant Development Program – Unsupported Billings and Failure to Bill

The review of ICT's Infant Development Program, Vendor Numbers HS0468 and HS0698, revealed that ICT had both unsupported billings, as well as appropriate support for services that it failed to bill the San Andreas Regional Center (SARC). As a result, ICT had a total of \$498,914.33 of unsupported billings and a total of \$181,445.62 for which it failed to bill.

Finding 2: Client/Parent Support Behavior Intervention Training – Unsupported Billings and Failure to Bill

The review of ICT's Client/Parent Support Behavior Intervention Training, Vendor Number PS0044, revealed that ICT had both unsupported billings, as well as appropriate support for services that it failed to bill the Regional Center of the East Bay (RCEB). As a result, ICT had a total of \$124,125.95 of unsupported billings and a total of \$28,997.26 for which it failed to bill.

The total unsupported billing discrepancies identified in this audit amounts to \$412,597.40 and is due back to DDS. A detailed discussion of these findings is contained in the Findings and Recommendations section of this report.

BACKGROUND

DDS is responsible, under the Lanterman Developmental Disabilities Services Act, for ensuring that persons with developmental disabilities receive the services and supports they need to lead more independent, productive, and normal lives. DDS contracts with 21 private, nonprofit regional centers that provide fixed points of contact in the community for serving eligible individuals with developmental disabilities and their families in California. In order for regional centers to fulfill their objectives, they secure services and supports from qualified service providers and/or contractors. Pursuant to the Welfare and Institutions (W&I) Code, section 4648.1, DDS has the authority to audit those service providers and/or contractors that provide services and supports to persons with developmental disabilities.

OBJECTIVE, SCOPE, AND METHODOLOGY

The audit was conducted to determine whether ICT's Infant Development Program and Client/Parent Support Behavior Intervention Training were compliant with the W&I Code, California Code of Regulations, Title 17 (CCR, title 17), and the regional center contracts with ICT for the period of July 1, 2011, through June 30, 2012.

ICT was vendorized by SARC and provided services to RCEB and Golden Gate Regional Center (GGRC). Audit staff reviewed the programs and services provided to SARC and RCEB.

The audit was conducted in accordance with the Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States. The auditors did not review the financial statements of ICT, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of ICT's internal controls to gain an understanding of the transaction flow and invoice preparation process as necessary to develop appropriate auditing procedures. The audit scope was limited to planning and performing audit procedures necessary to obtain reasonable assurance that ICT complied with CCR, title 17. Also, any complaints that DDS' Audit Branch was aware of regarding noncompliance of laws and regulations were reviewed and followed-up during the course of the audit.

Day Programs

During the audit period, ICT operated eight Day Programs. The audit included the review of two of ICT's Day Programs. Testing was done during the period of July 1, 2011, through June 30, 2012. The programs audited are listed below:

- Infant Development Program, Vendor Numbers HS0468 and HS0698, Service Code 805

The procedures performed at SARC, the vendoring regional center, and ICT included, but were not limited to, the following:

- Review of SARC's vendor files for contracts, rate letters, program designs, purchase of service authorizations, and correspondence pertinent to the review.

- Interview of SARC's staff for vendor background information and to obtain prior vendor audit reports.
- Interview of ICT's staff and management to gain an understanding of its accounting procedures and processes for SARC billings.
- Review of ICT's service/attendance records to determine if ICT had sufficient and appropriate evidence to support the direct care services billed to SARC.

Client/Parent Support Behavior Intervention Training

During the audit period, ICT operated one Client/Parent Support Behavior Intervention Training. The audit included the review of ICT's Client/Parent Support Behavior Intervention Training, Vendor Number PS0044, Service Code 048. Testing was done during the period of July 1, 2011, through June 30, 2012.

The procedures performed at SARC, the vendoring regional center, and ICT included, but were not limited to, the following:

- Review of SARC's vendor files for contracts, rate letters, program designs, purchase of service authorizations, and correspondence pertinent to the review.
- Interview of SARC's staff for vendor background information and to obtain prior vendor audit reports.
- Interview of ICT's staff and management to gain an understanding of its accounting procedures and processes for RCEB billings.
- Review of ICT's service/attendance records to determine if ICT has sufficient and appropriate evidence to support the direct care services billed to RCEB.

CONCLUSION

Based upon items identified in the Findings and Recommendations section, ICT did not comply with the requirements of CCR, title 17.

VIEWS OF RESPONSIBLE OFFICIALS

DDS issued a draft audit report on February 11, 2014. The findings in the report were discussed at a formal exit conference with Lani Fritts, ICT's Managing Director, on February 19, 2014. Subsequent to the meeting, Mr. Fritts responded on March 17, 2014, that ICT would submit documents to support additional hours of service.

RESTRICTED USE

This report is solely for the information and use of DDS, Department of Health Care Services, SARC, RCEB, and ICT. This restriction is not intended to limit distribution of this report, which is a matter of public record.

FINDINGS AND RECOMMENDATIONS

Finding 1: Infant Development Program – Unsupported Billings and Failure to Bill

The review of ICT's Infant Development Program, Vendor Numbers HS0468 and HS0698, for the period of July 1, 2011, through June 30, 2012, revealed that ICT had both unsupported billings, as well as appropriate support for services that it failed to bill to SARC.

Unsupported billings occurred due to a lack of appropriate documentation to support the units of service billed to SARC. The failure to bill occurred when ICT had appropriate supporting documentation, but it did not bill SARC. The following are the discrepancies identified:

ICT was not able to provide appropriate supporting documentation for 5,658.37 hours of services billed for Vendor Number HS0468 and 1,319.50 hours of services billed for Vendor Number HS0698. The lack of documentation resulted in unsupported billings to SARC in the amount of \$424,151.43 for Vendor Number HS0468 and \$74,762.90 for Vendor Number HS0698. The total unsupported billings amounted to \$498,914.33.

In addition, ICT provided appropriate supporting documentation for 2,192.86 hours of service for Vendor Number HS0468 and 301.25 hours of service for Vendor Number HS0698, but was not billed to SARC. This resulted in an unbilled amount of \$164,376.76 for Vendor Number HS0468 and \$17,068.86 for Vendor Number HS0698. The total failure to bill amounted to \$181,445.62.

As a result, \$317,468.71 is due back to DDS for the unsupported billings. (See Attachment A.)

CCR, title 17, section 54326(a)(3) and (10) states:

“(a) All vendors shall:

- (3) Maintain records of services provided to consumers in sufficient detail to verify delivery of the units of service billed:
- (10) Bill only for services which are actually provided to consumers and which have been authorized by the referring regional center...”

Also, CCR, title 17, section 50604(d) and (e) states:

- “(d) All service providers shall maintain complete service records to support all billing/invoicing for each regional center consumer in the program...”
- (e) All service providers' records shall be supported by source documentation.”

Recommendation:

ICT must reimburse to DDS the \$317,468.71 for the unsupported billings. In addition, ICT should develop and implement policies and procedures to ensure that proper documentation is maintained to support the amounts billed to SARC.

ICT's Response:

Lani Fritts, ICT's Managing Director, stated via letter to Edward Yan, DDS' Audit Manager, dated March 17, 2014, that ICT had additional documentation to provide that would support some of the billings. A copy of the letter is enclosed as Attachment C.

Finding 2: Client/Parent Support Behavior Intervention Training – Unsupported Billings and Failure to Bill

The review of ICT's Client/Parent Support Behavior Intervention Training, Vendor Number PS0044, for the period of July 1, 2011, through June 30, 2012, revealed that ICT had both unsupported billings, as well as appropriate support for services that it failed to bill to RCEB.

Unsupported billings occurred due to a lack of appropriate documentation to support the units of service billed to RCEB. The failure to bill occurred when ICT had appropriate supporting documentation, but it did not bill RCEB. The following are the discrepancies identified:

ICT was not able to provide appropriate supporting documentation for 2,501.28 hours of services billed. The lack of documentation resulted in unsupported billings to RCEB in the amount of \$124,125.95.

In addition, ICT provided appropriate supporting documentation for 696.93 hours of service, but was not billed to RCEB. This resulted in an unbilled amount of \$28,997.26.

As a result, \$95,128.69 is due back to DDS for the unsupported billings. (See Attachment A.)

CCR, title 17, section 54326(a)(3) and (10) states:

“(a) All vendors shall:

- (3) Maintain records of services provided to consumers in sufficient detail to verify delivery of the units of service billed:
- (10) Bill only for services which are actually provided to consumers and which have been authorized by the referring regional center...”

Also, CCR, title 17, section 50604(d) and (e) states:

“(d) All service providers shall maintain complete service records to support all billing/invoicing for each regional center consumer in the program...

(e) All service providers’ records shall be supported by source documentation.”

Recommendation:

ICT must reimburse to DDS the \$95,128.69 for the unsupported billings. In addition, ICT should develop and implement policies and procedures to ensure that proper documentation is maintained to support the amounts billed to RCEB.

ICT’s Response:

Lani Fritts, ICT’s Managing Director, stated via letter to Edward Yan, DDS’ Audit Manager, dated March 17, 2014, that ICT had additional documentation to provide that would support some of the billings. A copy of the letter is enclosed as Attachment C.

I Can Too Learning Center, LLC
Summary of Unsupported Billings & Failure to Bill
Audit Period: July 1, 2011 through June 30, 2012

Finding #	Vendor	Svc Code	Description	Sample Months	Rate	A		B		C=A*B		D		E=A*D		Amount	
						Units	Amount	Units	Amount	Units	Amount	Units	Amount	Due to DDS			
						Unsupported Billings				Failure to Bill				Net			
2	Client/Parent Support Behavior Intervention Training																
	PS0044	048		Jul-11	\$ 93.69	32.00	\$ 2,998.10	5.25	\$ 491.88							\$ 2,506.22	
					\$ 49.31	89.51	\$ 4,413.76	20.66	\$ 1,018.73							\$ 3,395.03	
					\$ 34.52	100.51	\$ 3,469.61	36.91	\$ 1,274.13							\$ 2,195.48	
				Jan-11 Total		222.02	\$ 10,881.47	62.82	\$ 2,784.74							\$ 8,096.73	
				Aug-11	\$ 93.69	24.08	\$ 2,256.07	7.50	\$ 702.68							\$ 1,553.39	
					\$ 49.31	47.74	\$ 2,354.13	32.75	\$ 1,614.89							\$ 739.24	
					\$ 34.52	143.01	\$ 4,936.70	88.42	\$ 3,052.26							\$ 1,884.44	
				Aug-11 Total		214.83	\$ 9,546.90	128.67	\$ 5,369.83							\$ 4,177.07	
				Sep-11	\$ 93.69	32.66	\$ 3,059.94	10.50	\$ 983.75							\$ 2,076.20	
					\$ 49.31	68.99	\$ 3,401.93	10.75	\$ 530.07							\$ 2,871.85	
					\$ 34.52	131.41	\$ 4,536.27	38.10	\$ 1,315.20							\$ 3,221.07	
				Sept-11 Total		233.06	\$ 10,998.14	59.35	\$ 2,829.02							\$ 8,169.12	
				Oct-11	\$ 93.69	26.83	\$ 2,513.72	7.75	\$ 726.10							\$ 1,787.62	
					\$ 49.31	99.97	\$ 4,929.53	6.75	\$ 332.84							\$ 4,596.69	
					\$ 34.52	67.43	\$ 2,327.69	40.17	\$ 1,386.67							\$ 941.02	
				Oct-11 Total		194.23	\$ 9,770.94	54.67	\$ 2,445.61							\$ 7,325.33	
				Nov-11	\$ 93.69	20.75	\$ 1,944.09	8.50	\$ 796.36							\$ 1,147.73	
					\$ 49.31	106.08	\$ 5,230.83	29.91	\$ 1,474.86							\$ 3,755.97	
					\$ 34.52	224.18	\$ 7,738.71	120.66	\$ 4,165.18							\$ 3,573.53	
				Nov-11 Total		351.01	\$ 14,913.63	159.07	\$ 6,436.40							\$ 8,477.23	
				Dec-11	\$ 93.69	26.75	\$ 2,506.23	1.25	\$ 117.11							\$ 2,389.12	
					\$ 49.31	102.49	\$ 5,053.80	9.91	\$ 488.67							\$ 4,565.13	
					\$ 34.52	79.68	\$ 2,750.56	24.31	\$ 839.18							\$ 1,911.38	
				Dec-11 Total		208.92	\$ 10,310.59	35.47	\$ 1,444.96							\$ 8,865.63	
				Jan-12	\$ 93.69	52.41	\$ 4,910.33	1.00	\$ 93.69							\$ 4,816.64	
					\$ 49.31	83.68	\$ 4,126.26	2.00	\$ 98.62							\$ 4,027.64	
					\$ 34.52	32.91	\$ 1,136.05	18.41	\$ 635.51							\$ 500.54	

I Can Too Learning Center, LLC
Summary of Unsupported Billings & Failure to Bill
Audit Period: July 1, 2011 through June 30, 2012

<i>Finding #</i>	<i>Vendor</i>	<i>Svc Code</i>	<i>Description</i>	<i>Sample Months</i>	A	B	C=A*B	D	E=A*D	Amount
					<i>Rate</i>	Unsupported Billings		Failure to Bill		Due to DDS
						<i>Units</i>	<i>Amount</i>	<i>Units</i>	<i>Amount</i>	<i>Net</i>
				Jan-12 Total		169.00	\$ 10,172.64	21.41	\$ 827.82	\$ 9,344.82
				Feb-12	\$ 93.69	41.92	\$ 3,927.50	6.33	\$ 593.06	\$ 3,334.44
					\$ 49.31	80.75	\$ 3,981.79	7.66	\$ 377.71	\$ 3,604.08
					\$ 34.52	115.67	\$ 3,992.93	40.16	\$ 1,386.32	\$ 2,606.61
				Feb-12 Total		238.34	\$ 11,902.22	54.15	\$ 2,357.09	\$ 9,545.13
				Mar-12	\$ 93.69	46.00	\$ 4,309.76	0.33	\$ 30.91	\$ 4,278.85
					\$ 49.31	67.51	\$ 3,328.93	9.75	\$ 480.77	\$ 2,848.16
					\$ 34.52	31.17	\$ 1,075.99	47.91	\$ 1,653.85	\$ (577.86)
				Mar-12 Total		144.68	\$ 8,714.68	57.99	\$ 2,165.53	\$ 6,549.15
				Apr-12	\$ 93.69	30.58	\$ 2,865.06	-	\$ -	\$ 2,865.06
					\$ 49.31	81.93	\$ 4,039.97	3.33	\$ 164.20	\$ 3,875.77
					\$ 34.52	32.25	\$ 1,113.27	20.75	\$ 716.29	\$ 396.98
				Apr-12 Total		144.76	\$ 8,018.30	24.08	\$ 880.49	\$ 7,137.81
				May-12	\$ 93.69	29.25	\$ 2,740.46	0.08	\$ 7.49	\$ 2,732.97
					\$ 49.31	74.26	\$ 3,661.78	5.34	\$ 263.31	\$ 3,398.47
					\$ 34.52	45.75	\$ 1,579.29	14.08	\$ 486.04	\$ 1,093.25
				May-12 Total		149.26	\$ 7,981.53	19.50	\$ 756.84	\$ 7,224.69
				Jun-12	\$ 93.69	25.50	\$ 2,389.13	-	\$ -	\$ 2,389.13
					\$ 49.31	96.42	\$ 4,754.47	1.16	\$ 57.20	\$ 4,697.27
					\$ 34.52	109.25	\$ 3,771.31	18.59	\$ 641.73	\$ 3,129.58
				June 12 Total		231.17	\$ 10,914.91	19.75	\$ 698.93	\$ 10,215.98
				Subtotal		2,501.28	\$ 124,125.95	696.93	\$ 28,997.26	\$ 95,128.69
				TOTAL UNSUPPORTED BILLINGS:		9,479.15	\$ 623,040.28	3,191.04	\$ 210,442.88	\$ 412,597.40

I Can Too Learning Center, LLC
Unsupported Billings Failure to Bill Adjustments
Audit Period: July 1, 2011, through June 30, 2012

Attachment B

<i>Finding #</i>	<i>Vendor</i>	<i>Svc Code</i>	<i>Description</i>	<i>Audited Months</i>	A	B	C	D = A-C	E	F
					<i>Hrs Per Initial Draft Report</i>	<i>Amount Per Initial Draft Report</i>	<i>Additional Hrs Allowed</i>	<i>Adjusted Hours</i>	<i>Adjusted Amount</i>	<i>Amount Due DDS (Final Audit Report)</i>
1	Infant Delopment Program HS0468	805		Jul-11	554.25	\$ 41,546.58	37.25	517.00	\$ 2,792.26	\$ 38,754.32
				Aug-11	694.07	\$ 52,027.49	32.75	661.32	\$ 2,454.94	\$ 49,572.55
				Sep-11	534.41	\$ 40,059.38	-	534.41	-	\$ 40,059.38
				Oct-11	265.07	\$ 19,869.64	-	265.07	-	\$ 19,869.64
				Nov-11	249.90	\$ 18,732.52	14.00	235.90	\$ 1,049.44	\$ 17,683.08
				Dec-11	(245.59)	\$ (18,409.42)	-	(245.59)	-	\$ (18,409.42)
				Jan-12	11.84	\$ 887.52	-	11.84	-	\$ 887.52
				Feb-12	242.66	\$ 18,189.80	5.50	237.16	\$ 412.28	\$ 17,777.52
				Mar-12	222.25	\$ 16,659.86	0.75	221.50	\$ 56.22	\$ 16,603.64
				Apr-12	234.83	\$ 17,602.86	5.50	229.33	\$ 412.28	\$ 17,190.58
				May-12	312.58	\$ 23,431.00	19.00	293.58	\$ 1,424.24	\$ 22,006.76
				Jun-12	512.99	\$ 38,453.74	9.00	503.99	\$ 674.64	\$ 37,779.10
SubTotal:					3,589.26	\$ 269,050.97	123.75	3,465.51	\$ 9,276.30	\$ 259,774.67

I Can Too Learning Center, LLC
Unsupported Billings Failure to Bill Adjustments
Audit Period: July 1, 2011, through June 30, 2012

Attachment B

<i>Finding #</i>	<i>Vendor</i>	<i>Svc Code</i>	<i>Description</i>	<i>Audited Months</i>	A	B	C	D = A-C	E	F
					<i>Hrs Per Initial Draft Report</i>	<i>Amount Per Initial Draft Report</i>	<i>Additional Hrs Allowed</i>	<i>Adjusted Hours</i>	<i>Adjusted Amount</i>	<i>Amount Due DDS (Final Audit Report)</i>
1	Infant Delopment Program			Jul-11	50.75	\$ 2,875.49				\$ 2,875.49
	HS0698	805		Aug-11	78.25	\$ 4,433.64				\$ 4,433.64
				Sep-11	127.50	\$ 7,224.15				\$ 7,224.15
				Oct-11	106.00	\$ 6,005.95				\$ 6,005.95
				Nov-11	74.50	\$ 4,221.16				\$ 4,221.16
				Dec-11	94.25	\$ 5,340.20				\$ 5,340.20
				Jan-12	156.50	\$ 8,867.30				\$ 8,867.30
				Feb-12	102.75	\$ 5,821.82				\$ 5,821.82
				Mar-12	80.25	\$ 4,546.97				\$ 4,546.97
				Apr-12	27.25	\$ 1,543.99				\$ 1,543.99
				May-12	72.00	\$ 4,079.52				\$ 4,079.52
				Jun-12	48.25	\$ 2,733.85				\$ 2,733.85
				SubTotal:	1,018.25	\$ 57,694.04				\$ 57,694.04

I Can Too Learning Center, LLC
Unsupported Billings Failure to Bill Adjustments
Audit Period: July 1, 2011, through June 30, 2012

Attachment B

<i>Finding #</i>	<i>Vendor</i>	<i>Svc Code</i>	<i>Description</i>	<i>Audited Months</i>	A	B	C	D = A-C	E	F
					<i>Hrs Per Initial Draft Report</i>	<i>Amount Per Initial Draft Report</i>	<i>Additional Hrs Allowed</i>	<i>Adjusted Hours</i>	<i>Adjusted Amount</i>	<i>Amount Due DDS (Final Audit Report)</i>
2	Client/Parent Support	048	Behavior Intervention Training							
	PS0044			Jul-11	159.20	\$ 8,096.73	-	159.20	-	\$ 8,096.73
				Aug-11	89.66	\$ 4,349.65	3.50	86.16	\$ 172.58	\$ 4,177.07
				Sep-11	187.46	\$ 9,113.41	13.75	173.71	\$ 944.29	\$ 8,169.12
				Oct-11	146.56	\$ 7,759.26	7.00	139.56	\$ 433.93	\$ 7,325.33
				Nov-11	210.44	\$ 9,633.55	18.50	191.94	\$ 1,156.32	\$ 8,477.23
				Dec-11	173.45	\$ 8,865.63	-	173.45	-	\$ 8,865.63
				Jan-12	147.59	\$ 9,344.82	-	147.59	-	\$ 9,344.82
				Feb-12	194.44	\$ 10,272.47	10.25	184.19	\$ 727.34	\$ 9,545.13
				Mar-12	90.19	\$ 6,777.21	3.50	86.69	\$ 228.06	\$ 6,549.15
				Apr-12	129.68	\$ 7,803.50	9.00	120.68	\$ 665.69	\$ 7,137.81
				May-12	141.51	\$ 7,937.22	11.75	129.76	\$ 712.53	\$ 7,224.69
				Jun-12	221.42	\$ 10,919.89	10.00	211.42	\$ 703.91	\$ 10,215.98
			SubTotal:		1,891.60	\$ 100,873.35	87.25	1,804.35	\$ 5,744.66	\$ 95,128.69
Grand Total Due To DDS:										\$ 412,597.40

March 17, 2014

Edward Yan, Manager
Department of Developmental Services
Audit Branch
1600 9th St Room 230, MS 2-10
Sacramento, CA 95814

Re: Official Response to I Can Too Learning Center, LLC Draft Audit Report

Dear Mr. Yan,

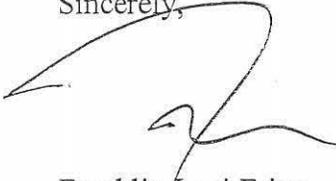
Thank you for the release of the draft audit report and the review conducted February 19, 2014 with the I Can Too/Trumpet Behavioral Health team.

We have three formal responses to the draft report:

- For sessions in which some clinical documentation and/or parent verification was available, I Can Too was given only partial credit for sessions. In total this represented 1,050 hours of credit. We believe pay record data associated with those sessions in which we can tie an employee's schedule to billed hours to their payroll stubs should constitute full allowance for the entirety of those sessions. This will significantly increase the number of hours accepted. Per a follow-up meeting with Al Kitay and Pardeep Deol on Tuesday March 4th (prior to which we submitted significant data back-up regarding one specific consumer) we were given approval to submit that documentation as back-up and receive credit for the additional hours. We will provide a separate addendum to this letter with the total # of hours, consumers, and \$'s that we plan to submit for which we are requesting inclusion.
- During the audit exit meeting Al and Pardeep indicated that we had documentation that counted toward supported billing for several consumers during the months of the audit period, but a purchase of service (POS) was not in the Sand Andreas Regional Center (SARC) system to bill these services. Per Al and Pardeep's suggestion, we have found a copy of the POS and/or initial referral email for the consumer from the SARC service coordinator. We intend to contact SARC directly to bill these services, per Al and Pardeep's advice, but have also submitted these documents to you for review as well.
- More generally, we believe that DDS should allow payroll records (pay-stubs, W-2's, etc.) to substantiate that sessions took place, even when clinical source documentation cannot be produced. A record of payment to an employee for the same hours associated with a consumer's services in a given month is a reasonable indication that a staff was paid for time (documented in our scheduling/payroll systems) as billable time spent with that particular consumer. We believe this is a fair and reasonable proxy to those billable services having been provided.

In the 14 days following the March 3rd follow-up meeting we have been pulling together extensive payroll, schedule, and pay stub documentation to support the follow-up. We request a 30 day extension of response (to April 19, 2014) to allow us to provide all remaining documentation. By its nature this is a very time and energy intensive process – pulling data on hundreds of staff members, hundreds of consumers, across the 1-year audit time-frame, and from several different source data systems. We appreciate your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Franklin Lani Fritts', written over a horizontal line.

Franklin Lani Fritts
Managing Director
I Can Too Learning Center/Trumpet Behavioral Health

**DEPARTMENT OF DEVELOPMENTAL SERVICES
EVALUATION OF
I CAN TOO'S RESPONSE**

As part of the audit process, I Can Too Learning Center, LLC (ICT) was afforded the opportunity to respond to the draft audit report and provide a written response to each finding identified therein. The draft audit report was issued on February 11, 2014. The Audit Branch received ICT's response on March 17, 2014.

DDS evaluated ICT's written response to the draft audit report upon receipt and determined that ICT disagreed with the audit findings. DDS determined that, although ICT's response did not identify which programs were being discussed, the comments were all in relation to Vendor Number HS0468. Provided below are excerpts from ICT's response and DDS' evaluation of the response. (See Attachment C to the final audit report for the full text of ICT's response.)

Finding 1: Infant Development Program - Unsupported Billings and Failure to Bill

ICT argues the following in response to this finding:

Unsupported Billing

"For sessions in which some clinical documentation and/or parent verification was available, I Can Too was given only partial credit for sessions. In total this represented 1,050 hours of credit. We believe pay record data associated with those sessions in which we can tie an employee's schedule to billed hours to their payroll stubs should constitute full allowance for the entirety of those sessions."

In instances where service billings were considered to be unsupported by DDS, due to inadequate source documentation, DDS did consider payroll records as support and gave ICT credit when it could tie the payroll to services provided to specific consumers. An example is when source documentation included a date, employee name, and consumer name but no length of time for the session. In this instance, payroll was used to determine length of time for the session.

"During the audit exit meeting Al and Pardeep indicated that we had documentation that counted toward supported billing for several consumers during the months of the audit period, but a purchase of service (POS) was not in the Sand [sic] Andreas Regional Center (SARC) system to bill those services."

DDS determined that there was evidence that services were provided for which payment was not made by the regional center. Further analysis revealed that the reason the payment was not received was that there was no authorization in the system. CCR, title 17 requires that, before payments can be made, the services must be authorized and the services must be provided. Since the services were not authorized at the time of the audit, DDS was unable to net those services against the unsupported services. DDS suggested that ICT discuss those services with the regional center.

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“More generally, we believe that DDS should allow payroll records (pay-stubs, W-2’s, etc.) to substantiate that sessions took place, even when clinical source documentation cannot be produced.”

Billings are consumer specific while payroll is employee specific. Payroll does not indicate whether a service was provided to a consumer. Therefore, without collaborating evidence, it is unknown if direct consumer services were provided.

DDS’ Conclusion:

Subsequent to the receipt of this response, ICT provided DDS with documents to support billings that were previously unsupported. DDS accepted documents that supported an additional 123.75 hours for Vendor Number HS0468. These adjustments are reflected in this report. (See Attachment B, Page 11.) However, ICT’s response did not address its policies and procedures going forward. DDS recommends that ICT develop and implement policies and procedures to ensure that proper documentation is maintained to support its billings to the regional centers. A future audit may be conducted by DDS to ensure that DDS’ recommendation has been fully implemented.

Finding 2: Client/Parent Support Intervention Training - Unsupported Billings and Failure to Bill

ICT did not provide an argument in response to this finding; however the supporting documentation provided subsequently included support for finding 2. DDS accepted the additional documentation.

DDS’ Conclusion:

Subsequent to the receipt of this response, ICT provided DDS with documents to support billings that were previously unsupported. DDS accepted documents that supported an additional 87.25 hours for Vendor Number PS0044. These adjustments are reflected in this report. (See Attachment B, Page 13.) However, ICT’s response did not address its policies and procedures going forward. DDS recommends that ICT develop and implement policies and procedures to ensure that proper documentation is maintained to support its billings to the regional centers. A future audit may be conducted by DDS to ensure that DDS’ recommendation has been fully implemented.