

**DEPARTMENT  
OF  
DEVELOPMENTAL SERVICES  
AUDIT  
OF  
BEHAVIOR EDUCATION SERVICES TEAM**

**Programs and Services:**

Behavior Management Assistant – PL1093

Behavior Analyst – PL0722

Adaptive Skills Trainer – PL1114

Audit Period: July 1, 2010, through June 30, 2012

**Audit Branch**

**Auditors:** Mike Masui, Chief of Vendor Audits  
Alimou Diallo, Supervisor  
Pardeep Deol, Lead Auditor  
Gurpreet Dhillon, Auditor  
Asraf Tootla, Auditor

# BEHAVIOR EDUCATION SERVICES TEAM

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## EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited Behavior Education Services Team (BEST). The audit was performed upon the Behavior Management Assistant, Behavior Analyst, and Adaptive Skills Trainer programs for the period of July 1, 2010, through June 30, 2012.

The audit disclosed the following issues of non-compliance:

### **Finding 1: Behavior Management Assistant – Unsupported Billings and Failure to Bill**

The review of BEST's Behavior Management Assistant program, Vendor Number PL1093, revealed that BEST had both unsupported billings, as well as appropriate support for services that it failed to bill North Los Angeles County Regional Center (NLACRC). As a result, BEST had a total of \$11,191 of unsupported billings and a total of \$527 for which it failed to bill.

### **Finding 2: Behavior Analyst – Incorrect Billing**

The review of BEST's Behavior Analyst program, Vendor Number PL0722, revealed that some of BEST's staff who provided services under Service Code 612 failed to meet the qualification required by California Code of Regulations (CCR), Title 17 and were not certified by the national Behavior Analyst Certification Board.

BEST's failure to meet CCR, Title 17 requirements, including, but not limited to, the minimum staffing qualifications as established by CCR, Title 17, results in DDS paying an unqualified staff to perform the same services, at the same rate, as one who is qualified. However, considering that BEST provided 440 hours of service, DDS adjusted BEST's rate per hour to reflect a lower rate commensurable with the service delivered. Therefore, the 440 hours BEST's staff provided under Service Code 612 was adjusted to the lower rate for the sample period audited, which resulted in the amount of \$10,155.

### **Finding 3: Behavior Analyst – Unsupported Billings and Failure to Bill**

The review of BEST's Behavior Analyst program, Vendor Number PL0722, revealed that BEST had both unsupported billings as well as appropriate support for services that it failed to bill NLACRC. As a result, BEST had a total of \$11,364 of unsupported billings and a total of \$1,676 for which it failed to bill.

The total of unsupported and incorrect billings identified in this audit amounts to \$30,507 and is due back to DDS. A detailed discussion of these findings is contained in the Findings and Recommendations section of this audit 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, contractors, or both. Pursuant to the Welfare and Institutions (W&I) Code, Section 4648.1, DDS has the authority to audit those service providers, contractors, or both that provide services and supports to persons with developmental disabilities.

## **OBJECTIVE, SCOPE, AND METHODOLOGY**

### **Objective**

The audit was conducted to determine whether BEST's Behavior Management Assistant, Behavior Analyst, and Adaptive Skills Trainer programs were compliant with the W&I Code, CCR, Title 17, and the regional centers contracts with NLACRC for the period of July 1, 2010, through June 30, 2012.

### **Scope**

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 BEST, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of BEST'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 BEST complied with W&I Code and CCR, Title 17. Also, any complaints that DDS' Audit Branch was aware of regarding non-compliance with laws and regulations were reviewed and followed-up on during the course of the audit.

The audit scope was determined by reviewing the programs and services provided to one regional center that utilized BEST's services during the audit period. In addition, BEST provided four different types of services, for which, DDS audited three. The three services chosen by DDS were based on the amount of POS expenditures invoiced by BEST. Analyzing the information received during a pre-audit meeting with the vendor, an internal control questionnaire and a risk analysis, it was determined that a two month sample period for the Behavior Management Assistant and Adaptive Skills Trainer programs and a three month sample period for the Behavior Analyst program would be sufficient to fulfill the audit objectives.

### **Behavior Management Assistant**

During the audit period BEST operated one Behavior Management Assistant program. The audit included the review of BEST's Behavior Management Assistant program, Vendor Number PL1093, Service Code 615, and testing was done for the months of July 2011 and August 2011.

### **Behavior Analyst**

During the audit period, BEST operated one Behavior Analyst program. The audit included the review of BEST's Behavior Analyst program, Vendor Number PL0722, Service Code 612, and testing was done for the months of December 2010, March 2011, and July 2011.

### **Adaptive Skills Trainer**

During the audit period BEST operated one Adaptive Skills Trainer program. The audit included the review of BEST's Adaptive Skills Trainer program, Vendor Number PL1114, Service Code 605, and testing was done for the months of July 2011 and August 2011.

### **Methodology**

The following methodology was used by DDS to ensure the audit objectives were met. The methodology was designed to obtain a reasonable assurance that the evidence provided was sufficient and appropriate to support the findings and conclusions in relation to the audit objectives. The procedures performed included, but were not limited to, the following:

- Review of vendor files for contracts, rate letters, program designs, POS authorizations, and correspondence pertinent to the review.
- Interview of regional center staff for vendor background information and to obtain insight into the vendor's operations.
- Interview of vendor staff and management to gain an understanding of its accounting procedures and processes for regional center billing.
- Review of vendor service/attendance records to determine if the vendor had sufficient and appropriate evidence to support the direct care services billed to the regional center(s).
- Analysis of the vendor's payroll and attendance/service records to determine if the appropriate level of staffing was provided.
- Review the vendor's General Ledger, Payroll Records, and Trial Balance to determine the vendor's costs.
- Interview the vendor's Certified Public Accountant, Executive Director, Administrator, and Program Coordinators, for vendor background information and to gain understanding of accounting procedures and financial reporting process.

## **CONCLUSION**

Based upon items identified in the Findings and Recommendations section, BEST had findings of non-compliance with the requirements of CCR, Title 17.

## **VIEWS OF RESPONSIBLE OFFICIALS**

DDS issued the audit report as a draft on October 30, 2015. The findings in the audit report were discussed at a formal exit conference with Eduard Alterson, BEST's CEO/President, and Ajmel Mohamed, BEST's Billing Specialist, on November 4, 2015. DDS subsequently received BEST's response on December 24, 2015. BEST requested that DDS reconsider the draft findings based on BEST's explanation of what occurred.

## **RESTRICTED USE**

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

## FINDINGS AND RECOMMENDATIONS

### **Finding 1: Behavior Management Assistant – Unsupported Billings and Failure to Bill**

The review of BEST's Behavior Management Assistant program, Vendor Number PL1093, for the sample months of July 2011 and August 2011, revealed that BEST had both unsupported billings, as well as appropriate support for services that it failed to bill to NLACRC.

Unsupported billings occurred due to a lack of appropriate documentation to support the units of service billed to NLACRC. The failure to bill occurred when BEST had appropriate supporting documentation, but it did not bill NLACRC.

BEST was not able to provide appropriate supporting documentation for 222 hours and 41 units of services billed. The lack of documentation resulted in unsupported billings to NLACRC in the amount of \$11,191.

In addition, BEST provided appropriate supporting documentation for 11 hours and 3 units of service, but was not billed to NLACRC. This resulted in an unbilled amount of \$527.

As a result, \$10,664 is due back to DDS for the unsupported billings.  
(See Attachment A)

W&I Code, Section 4648.1 states:

- “(e) A regional center or the department may recover from the provider funds paid for services when the department or the regional center determines either the following has occurred:
  - (1) The services were not provided in accordance with the regional center's contract or authorization with the provider, or with applicable state laws or regulations.”

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 . . .”

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:**

BEST must reimburse to DDS the \$10,664 for the unsupported billings. In addition, BEST should develop and implement policies and procedures to ensure that proper documentation is maintained to support the amounts billed to NLACRC.

**BEST’s Response:**

“While we understand the basis for the conclusions, we believe an additional explanation of what occurred will provide an explanation and evidence for a reconsideration of the draft findings.”

See Attachment C for the full text of BEST’s response and Attachment D for DDS’ Evaluation of BEST’s response.

**Finding 2: Behavior Analyst – Incorrect Billing**

The review of BEST’s Behavioral Analyst program, Vendor Number PL0722, for the sample months of December 2010, March 2011, and July 2011, revealed that some of BEST’s staff who provided services under Service Code 612 failed to meet the qualification required by CCR, Title 17 and were not certified by the national Behavior Analyst Certification Board.

CCR, Title 17 vendorization requirements ensure that a Behavior Analyst’s reimbursement rate of service is commensurable with the Behavior Analyst’s qualifications; i.e., if those providing service do not meet the required qualification(s) for such service, they are not reimbursed at the same rate as those who possess the required qualifications.

BEST’s failure to meet CCR, Title 17 requirements, including, but not limited to, the minimum staffing qualifications as established by CCR, Title 17, results in DDS paying an unqualified staff to perform the same services, at the same rate, as one who is qualified. However, considering that BEST provided 440 hours of service, DDS adjusted BEST’s rate per hour to reflect a lower rate commensurable with the service delivered. Therefore, the 440 hours BEST’s staff provided under Service Code 612 was adjusted to the lower rate for the sample period audited, which resulted in the amount of \$10,155.

(See Attachment B)



W&I Code, Section 4648.1 states:

“(e) A regional center or the department may recover from the provider funds paid for services when the department or the regional center determines either the following has occurred:

(1) The services were not provided in accordance with the regional center’s contract or authorization with the provider, or with applicable state laws or regulations.”

CCR, Title 17, Section 54326 states:

“(a) All vendors shall:

(12) Agree to accept the rate established, revised or adjusted by the Department as payment in full for all authorized services provided to consumers . . .”

CCR, Title 17, Section 54342 states in pertinent part:

“(11) Behavior Analyst – Service Code 612. Behavior Analyst means an individual who assesses the function of a behavior of a consumer and designs, implements, and evaluates instructional and environmental modifications to produce socially significant improvements in the consumer’s behavior through skill acquisition and the reduction of behavior. Behavior Analysts engage in functional assessments or functional analyses to identify environmental factors of which behavior is a function. A Behavior Analyst shall not practice psychology, as defined in Business and Professions Code section 2903. A regional center shall classify a vendor as a Behavior Analyst if an individual is recognized by the national Behavior Analyst Certification Board as a Board Certified Behavior Analyst.”

**Recommendation:**

BEST must reimburse to DDS the \$10,155 for the incorrect billings. In addition, BEST should develop and implement policies and procedures to ensure that only individuals recognized by the national Behavior Analyst Certification Board as a BCBA shall perform the functions of a Behavior Analyst.

**BEST’s Response:**

“While we understand the basis for the conclusions, we believe an additional explanation of what occurred will provide an explanation and evidence for a reconsideration of the draft findings.”

See Attachment C for the full text of BEST's response and Attachment D for DDS' Evaluation of BEST's response.

**Finding 3: Behavior Analyst – Unsupported Billings and Failure to Bill**

The review of BEST's Behavior Analyst program, Vendor Number PL0722, for the sample months of December 2010, March 2011, and July 2011, revealed that BEST had both unsupported billings as well as appropriate support for services that it failed to bill to NLACRC.

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

BEST was not able to provide appropriate supporting documentation for one Out-of-Office Call (OOC) and 202 hours of services billed. The lack of documentation resulted in unsupported billings to NLACRC in the amount of \$11,364.

In addition, BEST provided appropriate supporting documentation for two OOC and 33 hours of service, but was not billed to NLACRC. This resulted in an unbilled amount of \$1,676.

As a result, \$9,688 is due back to DDS for the unsupported billings.  
(See Attachment A)

W&I Code, Section 4648.1 states:

“(e) A regional center or the department may recover from the provider funds paid for services when the department or the regional center determines either the following has occurred:

- (1) The services were not provided in accordance with the regional center's contract or authorization with the provider, or with applicable state laws or regulations.”

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 . . .”

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:**

BEST must reimburse to DDS the \$9,688 for the unsupported billings. In addition, BEST should develop and implement policies and procedures to ensure that proper documentation is maintained to support the amounts billed to NLACRC.

**BEST’s Response:**

“While we understand the basis for the conclusions, we believe an additional explanation of what occurred will provide an explanation and evidence for a reconsideration of the draft findings.”

See Attachment C for the full text of BEST’s response and Attachment D for DDS’ Evaluation of BEST’s response.

**Behavior Education Services Team**  
**Summary of Unsupported Billings and Failure to Bill**  
**Audit Period: July 1, 2010, through June 30, 2012**

**Attachment A**

Finding #	Vendor	Svc Code	Description	Unit Type	Unit Rate	Unsupported Billings		Failed to Bill		Net Due to DDS				
						Units	Amount	Units	Amount	Amount*				
						A	B	= A + B						
<b><u>Applied Behavior Analysis</u></b>														
<b>1</b>	PL1093	615	Behavior Management Assistant NLACRC - July 2011	Hours	\$ 48.71	132	\$ 6,445	3	\$ (134)	\$ 6,311				
				OOO	9.09	29	264	-	-	264				
											NLACRC - August 2011			
				Hours	48.71	90	4,373	8	(365)	4,007				
				OOO	9.09	12	109	3	(27)	82				
				Subtotal						263	\$ 11,191	14	\$ (527)	\$ 10,664
										<b>\$ 11,191</b>		<b>\$ (527)</b>		<b>\$ 10,664</b>
				<b>FINDING 1: Total - Behavior Management Assistant</b>										
				<b>3</b>	PL0722	612	Behavior Analyst NLACRC - December 2010	Hours	\$ 71.81	46	\$ 3,298	1	\$ (72)	\$ 3,226
								Hours	48.71	33	1,586	22	(1,064)	522
OOO	9.09	1	9					2	(18)	(9)				
								NLACRC - March 2011						
Hours	71.81	13	934					1	(71)	862				
Hours	48.71	80	3,919					9	(451)	3,468				
OOO	9.09	-	-					-	-	-				
								NLACRC - July 2011						
Hours	71.81	6	462					-	-	462				
Hours	48.71	24	1,157					-	-	1,157				
Subtotal						203	\$ 11,364	35	\$ (1,676)	\$ 9,688				
						<b>\$ 11,364</b>		<b>\$ (1,676)</b>		<b>\$ 9,688</b>				
<b>FINDING 3: Total - Behavior Analyst</b>														

**Behavior Education Services Team  
Incorrect Billing  
Audit Period: July 1, 2010, through June 30, 2012**

**Attachment B**

Finding #	Svc Vendor Code Description	Unit Type	Unit Rate	Billed Rate		Adjusted Rate		Net Due to DDS
				Units	Amount A	Unit Rate	Amount B	Amount = A + B
<b><u>Applied Behavior Analysis</u></b>								
2	PL0722 612 Behavior Analyst NLACRC							
	December 2010	Hours	\$ 71.81	50	\$ 3,621	\$ 48.71	\$ (2,456)	\$ 1,165
	March 2011	Hours	71.81	194	13,928	48.71	(9,448)	4,480
	July 2011	Hours	71.81	195	14,019	48.71	(9,510)	4,510
	Subtotal			440	\$ 31,568		\$ (21,413)	\$ 10,155
<b>FINDING 2: Total - Behavior Analyst</b>				<b>440</b>	<b>\$ 31,568</b>		<b>\$ (21,413)</b>	<b>\$ 10,155</b>
<b><u>Attachment A &amp; B Findings Totals:</u></b>								
<i>Finding 1: Behavior Management Assistant</i>								\$ 10,664
<i>Finding 2: Behavior Analyst</i>								10,155
<i>Finding 3: Behavior Analyst</i>								9,688
<b>Grand Totals of Incorrect and Unsupported Billings</b>								<b>\$ 30,507</b>

\*Rounded to the nearest dollar

## **Behavior Education Services Team's Response to Draft Report**

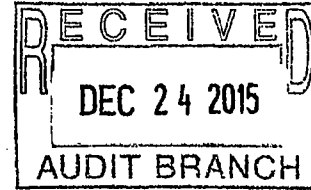
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As part of the audit report process, Behavior Education Services Team (BEST) was afforded the opportunity to respond to the draft audit report and provide a written response to the findings identified. On December 15, 2015, ECF submitted a response to the draft audit report, which was received by DDS on December 24, 2015. This was within the granted extension period BEST had requested to provide its response to the draft audit report.

The response included a two page letter. The following pages contains BEST's written response.



**Northridge**  
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12/15/2015

Edward Yan Manager

Department of Development Services

Audit Branch

1600 Ninth Street, Room 230, MS 2-10

Sacramento, CA 95814.

Dear Mr. Yan,

Behavior Education Services Team is in receipt of the draft Audit Report for the period July 1, 2010 to June 30, 2012, for the Adaptive Skills Trainer, Behavior Analyst, and Behavior Management Assistant program. BEST appreciates the job done by the Auditors of the Department of Developments Services. This is a valuable function both for the department and for the providers.

While we understand the basis for the conclusions, we believe an additional explanation of what occurred will provide an explanation and evidence for a reconsideration of the draft findings.

**Finding 1: Behavior Management Assistant – Unsupported Billings and Failure to Bill.**

BEST thanks the auditors for finding that \$527 was not billed even though the services were performed.

In terms of the amount of \$11,191, this amount reflects work that we feel was necessary for the services to be of the best quality possible. A description of such hours as unsupported does not depict the true purpose of those hours. These services were rendered by more than one person at the same time for clinical coordination, clinical meeting and clinical training. We feel that these hours were necessary for quality services and therefore should be allowed. The labor done in what we believed was in the best interest of the family. If the department is willing to consider these services, we are able to support each of the hours with service documents. If the department wants to discuss this matter further, we are more than happy to do so.

Finding 2: Behavior Analyst – Incorrect Billing Service Code due to Staff Lacking Proper Certification.

Attachment C

BEST agrees that technically an amount of \$10,155 represents the difference between the certified pay and the employees who were not yet certified. As an explanation, BEST would like to inform the department of the circumstances in which those services were rendered. The supervisors rendering the service hours in dispute had actually completed the training requirements set by the Board to get certified as BCBAS' and they all in fact became BCBAS'.

Although technically they were not certified at the time, they did have all the training required by the certification and were undergoing the process of getting the official certification.

Finding 3: In December 2010 BEST had unsupported billing and Failure to Bill.

Once again, BEST appreciated the auditors finding and crediting amounts that were unbilled when services were performed.

In terms of the unsupported billing, there are two issues we would like to address. The first is the lack of parent signatures. At the time of services, it was our understanding that such signatures were not required. Based on this we believe the billing was properly documented and performed.

The intent of any overlapping of services was to equip our Supervisor or Therapist, as the case may be, with more enhanced training in performing their services. Considering the valid reason of enhancing the skills of our Supervisors and Therapist, the doubling or overlapping of hours should be allowed. We are able to support the doubling or overlapping hours with service documents.

In conclusion, we believe the audit was done in a fair and impartial manner. We will improve our paperwork in the areas identified. We are happy to provide appropriate documentation to support our positions as stated above if the department is willing to discuss this matter further.

Eduard Alterson. On behalf of Behavior Education Services Team.



**THE DEPARTMENT OF DEVELOPMENTAL SERVICES’  
EVALUATION OF BEHAVIOR EDUCATION SERVICES TEAM’S  
RESPONSE**

DDS evaluated Behavior Education Services Team’s (BEST) written response to the draft audit report and determined that BEST disagreed with Findings 1, 2 and 3. Below is a summary of BEST’s response as well as the DDS’ evaluation of BEST’s response.

**Finding 1: Behavior Management Assistant – Unsupported Billings and Failure to Bill**

BEST states:

*“In terms of the amount of \$11,191, this amount reflects work that we feel was necessary for the services to be of the best quality possible. A description of such hours as unsupported does not depict the true purpose of those hours. These services were rendered by more than one person at the same time for clinical coordination, clinical meeting and clinical training. We feel that these hours were necessary for quality services and therefore should be allowed.”*

The unsupported billings identified in the audit can represent billings that were found to have no supporting documentation as well as those billings that had documentation that were found to support for overlapping hours. The Behavior Management Assistant services are authorized at a 1:1 staffing ratio. Therefore, BEST can only bill for one staff per hour, regardless of how many staff are present.

**Finding 2: Behavior Analyst – Incorrect Billing**

BEST states:

*“BEST agrees that technically an amount of \$10,155 represents the difference between the certified pay and the employees who were not yet certified. Although technically they were not certified at the time, they did have all training required by the certification and were undergoing the process of getting the official certification.”*

CCR, Title 17, Section 54342(a) (11), states “A regional center shall classify a vendor as a Behavior Analyst if an individual is recognized by the national Behavior Analyst Certification Board as a Board Certified Behavior Analyst.

Although BEST’s employees may have completed all training required by the national Behavior Analyst Certification Board, the employees were not yet certified by the national Behavior Analyst Certification Board during the sample months as is required by CCR, Title 17. Therefore, the hours that were provided by non-certified staff were adjusted to the lower rate.

**THE DEPARTMENT OF DEVELOPMENTAL SERVICES’  
EVALUATION OF BEHAVIOR EDUCATION SERVICES TEAM’S  
RESPONSE**

**Finding 3: Behavior Analyst – Unsupported Billings and Failure to Bill**

BEST states:

*“The intent of any overlapping of services was to equip our Supervisor or Therapist, as the case may be, with more enhanced training in performing their services. Considering the valid reason of enhancing the skills of our Supervisors and Therapist, the doubling and overlapping of hours should be allowed.”*

The Behavior Analyst services are authorized at a 1:1 staffing ratio. Therefore, BEST can only bill for one staff per hour, regardless of how many staff are present.

**Conclusion:**

DDS has evaluated BEST’s response to the draft audit report and find that no new information or source documentation was provided to refute the audit findings. Therefore, BEST must reimburse DDS the total amount of \$30,507 for the unsupported and incorrect billings.