

**DEPARTMENT
OF
DEVELOPMENTAL SERVICES
AUDIT
OF
COMFORCARE SENIOR SERVICES**

Respite Program:

In-Home Respite Services – HL0337

Miscellaneous Programs:

Personal Assistance Program – PL1007

(Audit Period: July 1, 2009 through June 30, 2010)

Audit Branch

Auditors: Michael Masui, Chief of Vendor Audits
Alton Kitay, Audit Supervisor
Alimou Diallo, Audit Supervisor
Treisa Muhammad, Lead Auditor

COMFORCARE SENIOR SERVICES

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EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited ComForCare Senior Services (CC). The audit was performed upon CC's In-Home Respite Services and Personal Assistance Program for the period of July 1, 2009, through June 30, 2010.

The last day of fieldwork was February 4, 2011.

The results of the audit disclosed the following issues of noncompliance:

Finding 1: Respite Program - Unsupported Billings and Failure to Bill

The review of CC's In-Home Respite services, Vendor Number HL0337, revealed that CC had both unsupported billings as well as appropriate support for services that it failed to bill North Los Angeles County Regional Center (NLACRC). It was found that CC had a total of \$13,006.50 of unsupported billings and a total of \$305.46 for which it failed to bill. This resulted in a net total of \$12,701.04 due to DDS.

Finding 2: Miscellaneous Programs – Unsupported Billing

The review of CC's Personal Assistance Program, Vendor Number PL1007, revealed that CC had unsupported billings totaling \$4,353.24.

The net total of the unsupported billing discrepancies identified in this audit amounts to \$17,054.28 due back to DDS. A detailed discussion of these findings is contained in the Findings and Recommendations section of this report.

BACKGROUND

The 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. Per 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 the developmentally disabled.

OBJECTIVE, SCOPE, AND METHODOLOGY

The audit was conducted to determine whether CC was in compliance with the applicable W&I Code, California Code of Regulations Title 17 (CCR, title 17), and NLACRC contracts with CC for the period of July 1, 2009, through June 30, 2010.

CC was vendorized by NLACRC and provided services to Frank D. Lanterman Regional Center (FDLRC) and Westside Regional Center (WRC).

The initial review of CC's programs consisted of a two-month sample period selected from the audit period of July 1, 2009, through June 30, 2010. Only services provided to consumers of NLACRC were included in the audit sample. Within the two months that were selected (March and April 2010), the audit sample revealed unsupported billings, but not large enough to warrant expanding the audit sample.

The audit was conducted in accordance with the Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States. The auditors did not review the financial statements of CC, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of CC's internal controls to gaining 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 CC complied with required regulations. Complaints that DDS' Audit Branch was aware of were addressed during the course of the audit.

Respite Program:

During the audit period, July 1, 2009, through June 30, 2010, CC operated one In-Home Respite Services, Vendor Number HL0337, Service Code 862, which was audited.

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

- Reviewed NLACRC's vendor files for contracts, rate letters, program designs, purchase of service authorizations, and correspondence pertinent to the review.
- Interviewed NLACRC's staff for vendor background information and to obtain prior vendor audit reports.
- Interviewed CC's staff and management to gain an understanding of its accounting procedures and processes for billings.
- Reviewed CC's service/attendance records to determine if CC had sufficient and appropriate evidence to support the direct care services billed to the regional centers.
- Performed an analysis of CC's payroll and attendance/service records to determine if CC provided the level of staffing required.

Miscellaneous Programs:

During the audit period, July 1, 2009, through June 30, 2010, CC operated one Personal Assistance Program, Vendor Number PL1007, Service Code 062, which was audited.

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

- Reviewed NLACRC's vendor files for contracts, rate letters, program designs, purchase of service authorizations, and correspondence pertinent to the review.
- Interviewed NLACRC's staff for vendor background information and to obtain prior vendor audit reports.
- Interviewed CC's staff and management to gain an understanding of its accounting procedures and processes for NLACRC billings.
- Reviewed CC's service/attendance records to determine if CC has sufficient and appropriate evidence to support the direct care services billed to the regional centers.
- Performed an analysis of CC's payroll and attendance/service records to determine if CC provided the level of staffing required.

CONCLUSION

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

VIEWS OF RESPONSIBLE OFFICIALS

The DDS issued a draft report on October 11, 2012. No response was received, due to the sudden closure of CC. The draft report was forwarded to WHS' attorney of record, who we thought also represented CC, only to be returned with the explanation that that attorney did not represent CC.

RESTRICTED USE

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

FINDINGS AND RECOMMENDATIONS

Finding 1: Respite Program – Unsupported Billings and Failure to Bill

The review of CC's In-Home Respite Service, Vendor Number HL0337, for the sample period of March and April 2010, revealed that CC had both unsupported billings as well as appropriate support for services that it failed to bill 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 CC had appropriate supporting documentation, but it did not bill NLACRC. The following are the discrepancies identified:

CC was not able to provide appropriate supporting documentation for 10,977.91 units of services billed under Vendor Number HL0337. This lack of documentation resulted in unsupported billings to NLACRC in the amount of \$13,006.50.

In addition, CC provided appropriate supporting documentation for 17.75 units of service under Vendor Number HL0337, which was not billed to NLACRC. This resulted in a failure to bill amount of \$305.46.

The net total of the billing discrepancies resulted in \$12,701.04 of unsupported billings due back to DDS. (See Attachment A.)

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

“(a) All vendors shall:

- (3) Maintain records of service 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:

CC should reimburse to DDS \$12,701.04 for the unsupported billings. CC should develop and implement policies and procedures to ensure that proper documentation is maintained to support the amounts billed to NLACRC.

Finding 2: Miscellaneous Programs – Unsupported Billings

The review of CC’s Personal Assistance Program, Vendor Number PL1007, for the sample months of March and April 2010, revealed that CC had unsupported billings.

Unsupported billings occurred due to a lack of appropriate documentation to support the units of service billed to NLACRC. The following are the discrepancies identified:

CC was not able to provide appropriate supporting documentation for 302.25 units of services billed under Vendor Number PL1007. The lack of documentation resulted in unsupported billings to NLACRC in the amount of \$4,353.24.

The net total of the billing discrepancies resulted in \$4,353.24 of unsupported billings due back to DDS. (See Attachment A.)

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

“(a) All vendors shall:

- (3) Maintain records of service 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:

CC should reimburse to DDS \$4,353.24 for the unsupported billings. In addition, CC should develop and implement policies and procedures to ensure that proper documentation is maintained to support the amounts billed to NLACRC.

**Comforcare Senior Services
Summary of Unsupported Billings and Failure to Bill
Fiscal Year- 2009-10**

| <i>Finding #</i> | <i>Vendor</i> | <i>Svc Code</i> | <i>Description</i> | <i>Sample Months</i> | <i>Rate</i> | <i>B</i> | | <i>D</i> | | <i>Amount Due to DDS</i> |
|------------------------------------|-----------------------------------|-----------------|-----------------------------------|----------------------|-------------|-----------------------------|-------------------------------|------------------------|-------------------------------|--------------------------|
| | | | | | | <i>Units</i> | <i>C=A*B</i> <i>Amount</i> | <i>Units</i> | <i>E=A*D</i> <i>Amount</i> | |
| | | | | | | Unsupported Billings | | Failure to Bill | | |
| 1 | <u>In-Home Respite</u> | | | | | | | | | |
| | HL0337 | 862 | Respite 1:1 | Mar-10 | Various | 5,625.17 | \$ 7,021.33 | (17.75) | \$ (305.46) | \$ 6,715.87 |
| | | | | Apr-10 | Various | 5,352.74 | \$ 5,985.17 | - | \$ - | \$ 5,985.17 |
| | | | | | | 10,977.91 | \$ 13,006.50 | (17.75) | \$ (305.46) | \$ 12,701.04 |
| 1 | <u>Personal Assistance</u> | | | | | | | | | |
| | PL1007 | 062 | Personal Assistance 1:1 | Mar-10 | Various | 40.25 | \$ 577.42 | - | \$ - | \$ 577.42 |
| | | | | Apr-10 | Various | 262.00 | \$ 3,775.82 | - | \$ - | \$ 3,775.82 |
| | | | <i>Total Unsupported Services</i> | | | 302.25 | \$ 4,353.24 | - | \$ - | \$ 4,353.24 |
| TOTAL UNSUPPORTED BILLINGS: | | | | | | | | | | \$ 17,054.28 |