

DEPARTMENT OF DEVELOPMENTAL SERVICES'
AUDIT OF
NAPA VALLEY SUPPORT SERVICES

Programs and Services:

Adult Development Center – H01809, H13459, H83756

Behavior Management Program – HN0330

Supported Employment Program – Group Services – HN0184

Supported Employment Program – Individual Services – HN0183

Audit Period: July 1, 2017, through June 30, 2018

Audit Section

Auditors: Alimou Diallo, Acting Chief, Vendor Audit Unit
Grace Gwarada, Supervisor
Rafael Mercado, Auditor
Philip Agebsar, Auditor

NAPA VALLEY SUPPORT SERVICES

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EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited Napa Valley Support Services (NVSS). The audit was performed upon the Adult Development Center (ADC), Behavior Management Program (BMP), Supported Employment Program – Group Services (SEG), and Supported Employment Program – Individual Services (SEI) for the period of July 1, 2017, through June 30, 2018.

The audit disclosed the following issues of non-compliance:

Finding 1: Adult Development Center and Behavior Management Program – Unsupported Staffing Ratio

The review of NVSS' ADC, Vendor Numbers H01809, H13459 and H83756, and BMP, Vendor Number HN0330, revealed a lack of supporting documentation for its required direct care staffing hours. This resulted in a shortage in required direct care staffing of 628 hours and overpayments of \$8,603 for services billed to North Bay Regional Center (NBRC).

Finding 2: Adult Development Center – Unsupported Billings

The review of NVSS' ADC, Vendor Numbers H01809, H13459 and H83756, revealed that NVSS had a total of \$1,195 of unsupported billings to NBRC.

Finding 3: Behavior Management Program – Unsupported Billings

The review of NVSS' BMP, Vendor Number HN0330, revealed that NVSS had a total of \$667 of unsupported billings to NBRC.

Finding 4: Supported Employment Program – Individual Services – Unsupported Billings

The review of NVSS' SEI program, Vendor Number HN0183, revealed that NVSS had a total of \$1,326 of unsupported billings to NBRC.

The total of the findings identified in this audit amounts to \$11,791, which 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

Objective

The audit was conducted to determine whether NVSS' programs were compliant with the W&I Code, California Code of Regulations (CCR), Title 17, State and Federal laws and regulations and the regional center's contracts with NVSS for the period of July 1, 2017, through June 30, 2018.

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 NVSS, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of NVSS' 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 NVSS complied with W&I Code and CCR, Title 17. Any complaints that DDS' Audit Section was aware of regarding non-compliance with laws and regulations were also reviewed and addressed during the audit.

The audit scope was determined by reviewing the programs and services provided to NBRC that utilized NVSS' services during the audit period. NVSS provided four types of services, which DDS audited. Services chosen by DDS were based on the amount of purchase of services (POS) expenditures invoiced by NVSS. By 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 would be sufficient to fulfill the audit objectives.

Adult Development Center

During the audit period, NVSS operated three ADC programs. The audit included the review of NVSS' ADC programs, Vendor Numbers H01809, H13459 and H83756, Service Code 510, and testing was done for the sampled months of August 2017 and May 2018.

Behavior Management Program

During the audit period, NVSS operated one BMP program. The audit included the review of NVSS' BMP program, Vendor Number HN0330, Service Code 515, and testing was done for the sampled months of August 2017 and May 2018.

Supported Employment Program – Group Services

During the audit period, NVSS operated one SEG program. The audit included the review of NVSS' SEG program, Vendor Number HN0184, Service Code 950, and testing was done for the sampled months of August 2017 and May 2018.

Supported Employment Program – Individual Services

During the audit period, NVSS operated one SEI program. The audit included the review of NVSS' SEI program, Vendor Number HN0183, Service Code 952, and testing was done for the sampled months of August 2017 and May 2018.

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:

- Reviewed vendor files for contracts, rate letters, program designs, POS authorizations and correspondence pertinent to the review.
- Interviewed regional center staff for vendor background information and to obtain insight into the vendor's operations.
- Interviewed vendor staff and management to gain an understanding of the vendor's accounting procedures and processes for regional center billing.
- Obtained and reviewed the vendor's internal control questionnaires.
- Reviewed 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.

- Analyzed the vendor's payroll and attendance/service records to determine if the appropriate level of staffing was provided.
- Interviewed the vendor's 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, NVSS had findings of non-compliance with the requirements of CCR, Title 17.

VIEWS OF RESPONSIBLE OFFICIALS

DDS issued a draft audit report on March 14, 2022. The findings in the report were discussed at an exit meeting via Zoom with NVSS on March 30, 2022. Subsequent to the exit conference, on April 19, 2022, NVSS submitted an email response to the draft report. NVSS did not state whether it agreed or disagreed with the audit findings.

RESTRICTED USE

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

FINDINGS AND RECOMMENDATIONS

Finding 1: Adult Development Center and Behavior Management Program – Unsupported Staffing Ratio

The review of NVSS' ADC and BMP, Vendor Numbers H01809, H13459, H83756 and HN0330, for the sampled months of August 2017 and May 2018 revealed that NVSS had overpayments of services billed to NBRC. Overpayments occurred due to NVSS not meeting the approved staff-to-consumer ratios for the services it billed to NBRC.

DDS reviewed the direct care service hours documented on the Client Daily Work Activity Reports and employees' timesheets and reconciled those hours to the payroll records. Then, each program's required hours were calculated and compared to the employees' reconciled hours. Where there was a shortage, the number of hours shorted was multiplied by the average salary of the staff to determine the finding amount.

For the ADC, Vendor Numbers H01809 and H83756 were required to have staffing ratios of 1:3, 1:4 and 1:6. For August 2017, 3,551 total hours of direct care were required. NVSS provided documentation to support 3,205 hours, resulting in 346 hours of unsupported direct care staffing. The total unsupported direct care staffing hours of 346 multiplied by the average hourly wage rate of \$12.81 amounts to \$4,432. For May 2018, 3,485 total direct care hours were required. NVSS provided documentation to support 3,430 hours, resulting in 55 hours of unsupported direct care staffing. The total unsupported direct care staffing hours of 55 multiplied by the average hourly wage rate of \$15.26 amounts to \$839. The total unsupported amount of \$5,271 for the two months is due back to DDS. (See Attachment A)

For the ADC, Vendor Number H13459, with 1:3 and 1:6 staffing ratios, 709 total direct care hours were required for August 2017. NVSS provided documentation to support 680 hours, resulting in 29 hours of unsupported direct care staffing. The total unsupported direct care staffing hours of 29 multiplied by the average hourly wage rate of \$12.44 amounts to \$361. For May 2018, 799 total direct care hours were required. NVSS provided documentation to support 686 hours. This resulted in 113 hours of unsupported direct care staffing. The total unsupported direct care staffing hours of 113 multiplied by the average hourly wage rate of \$15.28 amounts to \$1,727. The total unsupported amount of \$2,088 for the two months is due back to DDS. (See Attachment A)

For the BMP, Vendor Number HN0330, with 1:1 and 1:3 staffing ratios, 464 total direct care hours were required for August 2017. NVSS provided documentation to support 445 hours, resulting in 19 hours of unsupported direct care staffing. The total unsupported direct care staffing hours of 19

multiplied by the average hourly wage rate of \$12.44 amounts to \$236. For May 2018, 473 total direct care hours were required. NVSS provided documentation to support 407 hours. This resulted in 66 hours of unsupported direct care staffing. The total unsupported direct care staffing hours of 66 multiplied by the average hourly wage rate of \$15.28 amounts to \$1,008. The total unsupported amount of \$1,244 for the two months is due back to DDS. (See Attachment A)

W&I Code, Section 4648.1(e)(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 that either of 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 56756 (a) (b) (e) (1), (f), and (i) (1) and (2) states:

- “(a) A staffing ratio shall be approved for each adult day program by the Department pursuant to this section. This ratio shall be based on the program design, the curriculum as vendored, the characteristics and needs of the consumers to be served, and the number of consumers enrolled.
- (b) For activity centers, adult development centers, behavior management programs, and social recreation programs, the vendor may supplement direct care staff by one staff person, six hours per day, for every ten non-mobile consumers attending. Programs serving more or less than ten non-mobile consumers shall have their supplemental staff calculated on a proportionate basis. For the purpose of this section, non-mobile means persons who are confined to wheelchairs or gurneys and who are unable to independently move from one place to another place.
- (e) Adult development centers shall provide a direct care staff to-consumer ratio of 1:4.
 - (1) The vendor is authorized to request Department approval for modification of the staffing for an Adult Development Center to an overall direct care staff-to-consumer ratio of 1:3. A written request and justification shall be submitted to the Department by the regional center which documents the findings pursuant to the criteria listed below. The overall direct care staffing ratio shall be determined by averaging the specific staff-to-consumer ratio

needed for each individual consumer. The regional center shall consider whether the Adult Development Center meets the following criteria for modification of the direct care staffing ratio of 1:4.

- (f) Behavior management programs shall provide a direct care staff-to-consumer ratio of 1:3.
- (i) The vendor shall maintain the approved staffing ratio during its direct service hours. The vendor shall not be required to schedule the ratio with each subgroup of consumers at all times, but shall maintain both:
 - (1) The ratio of staff on duty to consumers in attendance during all service hours which shall be determined by a numerical comparison of the number of individuals on duty as direct care staff with the number of consumers in attendance. If the numerical comparison results in a fraction, more than one-half of a staff person shall be rounded up to the next whole number. Less than one-half of a staff person shall be rounded up to the next one-half of a whole number. One-half of a staff person shall not be rounded.
 - (2) Sufficient supervision for each subgroup to protect the health and safety of the consumers.”

Recommendation:

NVSS must reimburse to DDS \$8,603 for the overpayment of services resulting from the unsupported direct care staffing hours. In addition, NVSS should ensure that the approved staff-to-consumer ratio is met for all direct care services.

Vendor's Response:

NVSS did not provide additional documentation to refute the finding.
(See Attachment C)

Finding 2: Adult Development Center – Unsupported Billings

The review of NVSS' ADC programs, Vendor Numbers H01809, H13459 and H83756, for the sampled months of August 2017 and May 2018 revealed that NVSS had unsupported billings for services billed to NBRC. Unsupported billings occurred due to a lack of appropriate documentation to support the units of service billed to NBRC and non-compliance with the CCR, Title 17.

DDS reviewed the direct care service units documented on the Client Data Work Activity Reports and compared those units to the direct care service

units billed to NBRC. DDS noted that the direct care service units on the Client Data Work Activity Reports were 24 units less than the direct care service units billed to NBRC. NVSS was not able to provide appropriate supporting documentation for 18 direct care service days and 6 direct care service hours billed. The lack of documentation resulted in unsupported billings to NBRC in the amount of \$1,195, which is due back to DDS. (See Attachment B)

W&I Code, Section 4648.1(e)(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 that either of 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:

NVSS must reimburse to DDS \$1,195 for the unsupported billings. In addition, NVSS should comply with the CCR, Title 17 as stated above to ensure that proper documentation is maintained to support the amounts billed to NBRC.

Vendor’s Response:

NVSS did not provide additional documentation to refute the finding. (See Attachment C)

Finding 3: Behavior Management Program – Unsupported Billings

The review of NVSS' BMP program, Vendor Number HN0330, for the sampled months of August 2017 and May 2018 revealed that NVSS had unsupported billings for services billed to NBRC. Unsupported billings occurred due to a lack of appropriate documentation to support the units of service billed to NBRC and non-compliance with the CCR, Title 17.

DDS reviewed the direct care service units documented on the Client Data Work Activity Reports and compared them to the direct care service units billed to NBRC. DDS noted that the direct care service units on the Client Data Work Activity Reports were less than the direct care service units billed to NBRC. NVSS was not able to provide appropriate supporting documentation for one direct care service day and 17 direct care service hours billed. The lack of documentation resulted in unsupported billings to NBRC in the amount of \$667, which is due back to DDS. (See Attachment B)

W&I Code, Section 4648.1(e)(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 that either of 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.”

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- “(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:

NVSS must reimburse to DDS \$667 for the unsupported billings. In addition, NVSS should comply with the CCR, Title 17 as stated above to ensure that proper documentation is maintained to support the amounts billed to NBRC.

Vendor's Response:

NVSS did not provide additional documentation to refute the finding.
(See Attachment C)

Finding 4: Supported Employment Program – Individual Services – Unsupported Billings

The review of NVSS' SEI program, Vendor Number HN0183, for the sampled months of August 2017 and May 2018 revealed that NVSS had unsupported billings for services billed to NBRC. Unsupported billings occurred due to a lack of appropriate documentation to support the units of service billed to NBRC and non-compliance with the CCR, Title 17.

DDS reviewed the direct care service hours documented on the Client Intervention Time Sheets and case notes and compared those hours to the direct care service hours billed to NBRC. DDS noted that the direct care service hours on the Client Intervention Time Sheets, which were reconciled to payroll records, were 36 hours less than the direct care service hours billed to NBRC. NVSS was not able to provide appropriate supporting documentation for the 36 hours of services billed. The lack of documentation resulted in unsupported billings to NBRC in the amount of \$1,326, which is due back to DDS. (See Attachment B)

W&I Code, Section 4648.1(e)(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 that either of 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

NVSS must reimburse to DDS \$1,326 for the unsupported billings. In addition, NVSS should comply with the CCR, Title 17 as stated above to ensure that proper documentation is maintained to support the amounts billed to NBRC.

Vendor’s Response:

NVSS did not provide additional documentation to refute the finding.
(See Attachment C)

ATTACHMENTS A-B

NAPA VALLEY SUPPORT SERVICES

To request a copy of the attachments for this audit report, please contact the DDS Audit Section at (916) 654-3695.

ATTACHMENT C – VENDOR’S RESPONSE
NAPA VALLEY SUPPORT SERVICES

To request a copy of the vendor’s response to the audit findings, please contact the DDS Audit Section at (916) 654-3695.