

DEPARTMENT OF DEVELOPMENTAL SERVICES'
AUDIT OF
HELPFUL HANDS RESPITE SERVICES, INC.

Programs:

Personal Assistance – PL1011

In-Home Respite Services Agency – HL0547

Audit Period: July 1, 2013, through June 30, 2014

Audit Section

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HELPFUL HANDS RESPITE SERVICES, INC.

TABLE OF CONTENTS

	Page(s)
EXECUTIVE SUMMARY	1
BACKGROUND	2
OBJECTIVE, SCOPE, AND METHODOLOGY	2
CONCLUSION.....	4
VIEWS OF RESPONSIBLE OFFICIALS	4
RESTRICTED USE	4
FINDINGS AND RECOMMENDATIONS.....	5
ATTACHMENT A.....	10
ATTACHMENT B – VENDOR’S RESPONSE	11
ATTACHMENT C – DDS’ EVALUATION OF HHRS’ RESPONSE.....	12

EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited Helpful Hands Respite Services, Inc. (HHRS). The audit was performed upon the Personal Assistance (PA) and In-Home Respite Services Agency (IHRSA) programs for the period of July 1, 2013, through June 30, 2014.

The audit disclosed the following issues of non-compliance:

Finding 1: Personal Assistance – Unsupported Billings and Failure to Bill

The review of HHRS' PA program, Vendor Number PL1011, revealed that HHRS had both unsupported billings, as well as appropriate support for services for which it failed to bill North Los Angeles County Regional Center (NLACRC). HHRS had a total of \$3,381 of unsupported billings and a total of \$107 for which it failed to bill.

Finding 2: In-Home Respite Services Agency – Unsupported Billings and Failure to Bill

The review of HHRS' IHRSA program, Vendor Number HL0547, revealed that HHRS had both unsupported billings, as well as appropriate support for services for which it failed to bill NLACRC. HHRS had a total of \$2,197 of unsupported billings and a total of \$435 for which it failed to bill.

Finding 3: In-Home Respite Services Agency – Maintenance of Source Documentation

The review of HHRS' IHRSA program revealed that HHRS did not maintain proper source documentation for Vendor Number HL0547, Service Code (SC) 862, Sub Code MILE.

The net total of unsupported billings identified in this audit amounts to \$5,036 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 integrated 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 HHRS' PA and IHRSA programs were compliant with the W&I Code, California Code of Regulations (CCR), Title 17, and the regional centers' contracts with HHRS for the period of July 1, 2013, through June 30, 2014.

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

The audit scope was determined by reviewing the programs and services provided to three regional centers that utilized HHRS' services during the audit period. DDS audited services provided to NLACRC. NLACRC was chosen due to the large volume of services utilized by the center, as measured by purchase of service (POS) expenditures.

HHRS provided two different types of services, of which DDS audited all two. Services chosen were based on the amount of POS expenditures invoiced by HHRS. 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 three-month sample period would be sufficient to fulfill the audit objectives.

Personal Assistance

During the audit period, HHRS operated one PA program. The audit included the review of HHRS' PA program, Vendor Number PL1011, SC 062 and testing was done for the sampled months of July, August and September 2013.

In-Home Respite Services Agency

During the audit period, HHRS operated one IHRSA program. The audit included the review of HHRS' IHRSA program, Vendor Number HL0547, SC 862 and testing was done for the sampled months of July, August and September 2013.

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 its accounting procedures and processes for regional center billing.
- Obtained and reviewed the vendor's internal control questionnaire.
- 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 and Administrator for vendor background information and to gain an understanding of accounting procedures and financial reporting process.

CONCLUSION

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

VIEWS OF RESPONSIBLE OFFICIALS

DDS issued a draft audit report on August 18, 2017. The findings in the report were discussed in an exit telephone conference with [REDACTED], HHRS' Director and [REDACTED], HHRS' Administrator, on August 24, 2017. Subsequent to the exit telephone conference, [REDACTED] responded via email on September 26, 2017, and provided documentation to support additional hours of service.

RESTRICTED USE

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

FINDINGS AND RECOMMENDATIONS

Finding 1: Personal Assistance – Unsupported Billings and Failure to Bill

The review of HHRS' PA program, Vendor Number PL1011, for the sampled months of July, August and September 2013, revealed that HHRS 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 HHRS had appropriate supporting documentation, but failed to bill NLACRC.

HHRS was not able to provide appropriate supporting documentation for 219 hours of services billed. The lack of documentation resulted in unsupported billings to NLACRC in the amount of \$3,381. In addition, HHRS provided appropriate supporting documentation for 10 hours of service that were not billed to NLACRC. This resulted in an unbilled amount of \$107, therefore, the net amount of \$3,274 is due back to DDS for the unsupported billings. (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 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:

HHRS must reimburse to DDS \$3,274 for the unsupported billings. In addition, HHRS should ensure that the number of direct care hours reported in its timesheets are consistent with the hours being billed to NLACRC.

HHRS' Response:

HHRS stated in the response, dated September 26, 2017, that since timesheets were accounted for, a misunderstanding has occurred for the missed documentation for the hours billed. HHRS did not expressly state a disagreement with this finding nor did it not provide any additional documentation to support adjustments to this audit finding.

See Attachment B for the full text of HHRS' response to the draft audit report and Attachment C for DDS' evaluation of HHRS' response.

Finding 2: In-Home Respite Services Agency – Unsupported Billings and Failure to Bill

The review of HHRS' IHRSA program, Vendor Number HL0547, for the sampled months of July, August, and September 2013, revealed that HHRS 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 HHRS had appropriate supporting documentation, but failed to bill NLACRC.

HHRS was not able to provide appropriate supporting documentation for 130 hours of services billed. The lack of documentation resulted in unsupported billings to NLACRC in the amount of \$2,197. In addition, HHRS provided appropriate supporting documentation for 24 hours of service that were not billed to NLACRC. This resulted in an unbilled amount of \$435, therefore, the net amount of \$1,762 is due back to DDS for unsupported billings. (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 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:

HHRS must reimburse to DDS \$1,762 for the unsupported billings. In addition, HHRS should ensure that the number of direct care hours reported in its timesheets are consistent with the hours being billed to NLACRC.

HHRS' Response:

HHRS stated in its response dated September 26, 2017 that since timesheets were accounted for, a misunderstanding must have occurred regarding the hours billed. HHRS provided additional documentation to support their billings which reduced the finding, resulting in an adjustment credit of 91 hours. HHRS did not provide supporting documentation for 130 hours billed.

See Attachment B for the full text of HHRS' response to the draft audit report and Attachment C for DDS' evaluation of HHRS' response.

Finding 3: In-Home Respite Services Agency – Maintenance of Source Documentation

For the sampled months of July, August and September 2013, HHRS failed to maintain source documentation to identify the actual miles driven, in order to bill for Vendor Number HL0547, SC 862, Sub Code MILE. This is not in compliance with Title 17 regulations, which requires that vendors maintain complete service records to support billings for each regional center consumer in sufficient detail in order to verify the delivery of units of service billed. However, based on the services provided to the consumers, HHRS did reimburse the employees for the full amount that NLACRC paid for mileage. This resulted in a non-monetary finding.

CCR, Title 17, Section 50604(d)(3)(B) 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.... Service records used to support service providers’ billing/invoicing shall include but not be limited to:...
- (3) A record of services provided to each consumer. The record shall include:...
- (B) For transportation services, the dates of service, city or county where service was provided, and the number of miles driven or trips provided; or...
- (e) All service providers’ records shall be supported by source documentation.”

CCR, Title 17, Section 54326(a)(3)(A) states:

- “(a) All vendors shall:
- (3) Maintain records of services provided to consumer in sufficient detail to verify delivery of units of service billed:
- (A) Such records shall be maintained for a minimum of five years from the date of final payment for the State fiscal year in which services were rendered or until audit findings have been resolved, whichever is longer.”

Recommendation:

To comply with CCR, Title 17, HHRS must maintain appropriate source documents to support the miles being billed to NLACRC. In addition, source

documents should be retained for a minimum of five years from the date of final payment for the State fiscal year in which services were provided.

HHS' Response:

HHS did not state a disagreement with this finding in its response dated September 26, 2017, nor did it provide additional documentation to refute this finding.

See Attachment B for the full text of HHS' response to the draft audit report and Attachment C for DDS' evaluation of HHS' response.

ATTACHMENT A

HELPFUL HANDS RESPITE SERVICES, INC.

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

ATTACHMENT B – VENDOR’S RESPONSE

HELPFUL HANDS RESPITE SERVICES, INC.

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

ATTACHMENT C – DDS’ EVALUATION OF HHRS’ RESPONSE

As part of the audit process, HHRS was afforded the opportunity to respond to the draft audit report. The findings in the report were discussed in an exit telephone conference with [REDACTED], HHRS’ Director, and [REDACTED], HHRS’ Administrator, on August 24, 2017. The Audit Section received HHRS’ response on September 26, 2017.

HHRS provided a written response and additional documents for DDS to review. DDS reviewed HHRS’ written response to the draft audit report and determined that HHRS did not specifically state it disagreed with any of the findings identified in the report, but only an occurrence of misunderstanding. However, DDS’ evaluation of HHRS’ documents determined that the additional documentation indicated additional support for its billings for Finding 2 only. There was no additional documentation provided to support billings for Findings 1 and 3.

HHRS stated, “As for the audit and missed documentation for the hours billed...Since the time sheets are accounted for, we can only surmise that there is a misunderstanding that has occurred. For many of the hours in question, our office staff left our office to assist with an emergency that had occurred in the field, [REDACTED] a Caregiver got into an accident and could not make it to a shift, or a Caregiver was sick and could not make it to a shift. The office staff left the office and covered the shift. This is clearly marked on all time sheets where this occurred, and approved by the families where this happened.”

Based on the review of the office staff time sheets, all of the office staff time sheet hours that indicated a consumer’s name were accounted for and credited appropriately. DDS did not spell out hours found to be unsupported in the draft audit report because of the confidentiality of the consumers or staff involved. However, details of the unsupported hours were communicated throughout the audit fieldwork and during the exit telephone conference on August 24, 2017.

HHRS stated, “In regards to the issue with the Consumer to Caregiver ratio being off...We need more clarification as to what you’re looking for and what you found.”

There were instances in which a caregiver provided direct care services to two consumers with different staffing ratio authorizations at the same time. The consumer was authorized at a 1:1 (staff-to-consumer) ratio, but was paired with a consumer that was authorized at 1:2 (staff-to-consumer) ratio. HHRS did not comply with the approved staffing ratio.

DDS’ Conclusion:

DDS evaluated HHRS’ response to the draft audit report and accepted the additional documents provided and determined that it supported an additional 91 hours for Vendor Number HL0547. Therefore, HHRS must reimburse DDS \$5,036.