

DEPARTMENT OF DEVELOPMENTAL SERVICES'
AUDIT OF
MAXIM HEALTHCARE SERVICES, INC.

Programs:

In-Home Respite Services Agency – HL0461

Home Health Agency – HL0565

Personal Assistance – PL1025

Audit Period: July 1, 2016, through June 30, 2017

Audit Section

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MAXIM HEALTHCARE SERVICES, INC.

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EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) audited Maxim Healthcare Services, Inc. (MHS). The audit was performed upon the Personal Assistance (PA) program, Home Health Agency (HHA) program and In-Home Respite Services Agency (IHRSA) program for the period of July 1, 2016, through June 30, 2017.

The result of the audit disclosed no issues of non-compliance.

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 MHS's fiscal accountability requirement and PA program, HHA program and IHRSA program were compliant with the W&I Code, California Code of Regulations (CCR), Title 17, and the regional centers' contracts with MHS for the period of July 1, 2016, through June 30, 2017.

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 MHS, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of MHS'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 MHS complied with W&I Code and CCR, Title 17. Also, any complaints that 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 provided to NLACRC that utilized MHS's services during the audit period. MHS provided PA, HHA and IHRSA, which DDS audited. 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 one-month sample period would be sufficient to fulfill the audit objectives.

Personal Assistance

During the audit period, MHS operated one PA program. The audit included the review of MHS's PA program, PL1025, SC 062 and testing was done for the month of July 2016.

Home Health Agency

During the audit period, MHS operated one HHA program. The audit included the review of MHS's HHA program, HL0565, SC 854 and testing was done for the month of July 2016.

In-Home Respite Services Agency

During the audit period, MHS operated one IHRSA program. The audit included the review of MHS's IHRSA program, HL0461, SC 862 and testing was done for the month of July 2016.

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 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 Local Area Managers, Administrator, and Program Coordinators, for vendor background information and to gain understanding of accounting procedures and financial reporting process.

CONCLUSION

The audit of MHS revealed that this vendor maintained its records in accordance with the requirements of CCR, Title 17. For the sampled month tested, DDS was able to obtain the evidence necessary to achieve the audit objectives. The billing for the PA, HHA and IHRSA programs audited was found to have sufficient, competent, and relevant evidence to support the direct-care hours billed.

VIEWS OF RESPONSIBLE OFFICIALS

DDS issued a draft audit report on June 5, 2019. The report had no findings and was discussed via telephone exit conference on June 6, 2019. Subsequent to the exit conference, MHS agreed with the draft audit report and provided their response. See Attachment A for the full text of MHS' response to the draft audit report.

RESTRICTED USE

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

ATTACHMENT A – VENDOR’S RESPONSE

MAXIM HEALTHCARE SERVICES, INC.

The vendor agrees with the contents of the audit report. There were no audit findings. To request a copy of this document, please contact the DDS Audit Section at (916) 654-3695.