

DEPARTMENT OF DEVELOPMENTAL SERVICES'
AUDIT OF
WE CARE 4 YOU, LLC

Services:

In-Home Respite Services Agency – HJ0689

Audit Period: July 1, 2018, through June 30, 2019

Audit Section

Auditors: Mike Masui, Chief of Vendor Audit Unit
Grace Gwarada, Supervisor
Chai Saefong, Auditor
Sanjesh Pal, Auditor

WE CARE 4 YOU, LLC
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
FINDING AND RECOMMENDATION	5
ATTACHMENT A.....	7
ATTACHMENT B – VENDOR’S RESPONSE	8
ATTACHMENT C – DDS’ EVALUATION OF WC4U’s RESPONSE.....	9

EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited We Care 4 You, LLC (WC4U). The audit was performed upon the In-Home Respite Services Agency (IHRSA) for the period of July 1, 2018, through June 30, 2019.

The audit disclosed the following issue of non-compliance:

Finding 1: In-Home Respite Services Agency – Overbillings

The review of WC4U's IHRSA program, Vendor Number HJ0689, revealed that WC4U had a total of \$1,502 of overbillings to IRC.

The total finding identified in this audit amounts to \$1,502, which is due back to DDS. A detailed discussion of the finding is contained in the Finding and Recommendation 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 WC4U's program is compliant with the W&I Code, California Code of Regulations (CCR), Title 17, State and Federal laws and regulations and the regional centers' contracts with WC4U for the period of July 1, 2018, through June 30, 2019.

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 WC4U, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of WC4U'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 WC4U 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 course of the audit.

The audit scope was determined by reviewing the program provided to IRC that utilized WC4U's services during the audit period. WC4U provided one IIHRSA type of service, 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 two-month sample period would be sufficient to fulfill the audit objectives.

In-Home Respite Services Agency

During the audit period, WC4U operated one IHRSA program. The audit included the review of one of that program, Vendor Number HJ0689, SC 862 and testing was done for the sampled months of August 2018 and May 2019.

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 finding and conclusion 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.

CONCLUSION

Based upon an item identified in the Finding and Recommendation section, WC4U had a finding of non-compliance with the requirements of CCR, Title 17.

VIEWS OF RESPONSIBLE OFFICIALS

DDS issued a draft audit report on August 9, 2021. The finding in the report was discussed at an exit video conference with WC4U on August 17, 2021. Subsequent to the exit conference, on October 1, 2021, WC4U provided source documentation to support an additional 12 hours of its billings to IRC. WC4U agreed with the finding.

RESTRICTED USE

This report is solely for the information and use of DDS, Department of Health Care Services, IRC and WC4U. This restriction is not intended to limit distribution of this report, which is a matter of public record.

FINDING AND RECOMMENDATION

Finding 1: In-Home Respite Services Agency – Overbillings

The review of WC4U's IHRSA program, Vendor Number HJ0689, for the sampled months of August 2018 and May 2019, revealed that WC4U had overbillings for services billed to IRC. Overbillings occurred due to billing IRC for overlapping hours and overstated timesheet hours.

DDS reviewed sign-in and sign-out timesheets for the sampled months and identified instances in which one employee provided services to two consumers at the same time or two employees provided services to one consumer at the same time. DDS also found that some timesheets had no signatures while others had overstated totals of hours worked. These issues resulted in WC4U overbilling IRC by a total of 67 hours and an overbilled amount of \$1,502, which 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 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.”

Recommendation:

WC4U must reimburse to DDS \$1,502 for the overbillings. In addition, WC4U should provide services in accordance with the IRC contract to ensure billings are correct.

VENDOR'S Response:

WC4U stated in the response dated October 1, 2021, that WC4U agreed with the finding. It provided one employee's timesheet with its response to substantiate some of its billings to IRC. (See Attachment B)

ATTACHMENT A
WE CARE 4 YOU, LLC

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

WE CARE 4 YOU, LLC

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

ATTACHMENT C – DDS’ EVALUATION OF WC4U’S RESPONSE

DDS evaluated WC4U’s written response to the draft audit report and determined that WC4U agreed with the finding. Below is a summary of the vendor’s response as well as the DDS’ evaluation of the vendor’s response.

Finding 1: In-Home Respite Services Agency – Overbillings

While WC4U agreed with the finding, it also provided a timesheet for one employee as support for 12 hours of direct care services that DDS had disallowed because the timesheet had not been signed by the parent.

DDS reviewed the timesheet and allowed an additional 12 hours, which resulted in the finding amount being reduced to \$1,502.

Conclusion:

DDS made adjustments to the Draft Audit Report to reflect the additional documentation received. As a result, the finding amount was reduced from \$1,743 to \$1,502.