

**DEPARTMENT OF DEVELOPMENTAL SERVICES'**  
**AUDIT OF**  
**BEHAVIOR INTERVENTION SPECIALISTS OF LOS ANGELES**

**Program:**

Behavior Analyst – PW5370

Audit Period: July 1, 2015, through July 30, 2016

**Audit Section**

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# BEHAVIOR INTERVENTION SPECIALISTS OF LOS ANGELES

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## EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited Behavior Intervention Specialists of Los Angeles (BISLA). The audit was performed upon the Behavior Analyst (BA) for the period of July 1, 2015, through June 30, 2016.

The audit disclosed the following issue of non-compliance:

### **Finding 1: Behavior Analyst – Unsupported Billings**

The review of BISLA's BA program, Vendor Number PW5370, revealed that BISLA had a total of \$6,888 of unsupported billings to Frank D. Lanterman Regional Center (FDLRC) and Westside Regional Center (WRC).

The total of unsupported billings identified in this audit amounts to \$6,888, which is due back to DDS. A detailed discussion of this 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 BISLA's BA program was compliant with the W&I Code, California Code of Regulations (CCR), Title 17 and the regional centers' contracts with BISLA for the period of July 1, 2015, through June 30, 2016.

### **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 BISLA, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of BISLA'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 BISLA 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 and services provided to two regional centers that utilized BISLA's services during the audit period. DDS audited services provided to FDLRC and WRC. These two regional centers were chosen due to the large volume of services utilized by the centers as measured by Purchase of Service (POS) expenditures.

BISLA provided two different types of services, of which DDS audited one. The service chosen was based on the amount of POS expenditures invoiced by BISLA. 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.

## **Behavior Analyst**

During the audit period, BISLA operated one BA program. The audit included the review of that program, Vendor Number PW5370, Service Code 612 and testing was done for the sampled months of December 2015 and January 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 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 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 centers.
- 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 for vendor background information and to gain understanding of accounting procedures and financial reporting process.

## **CONCLUSION**

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

## **VIEWS OF RESPONSIBLE OFFICIALS**

DDS issued a draft report on February 4, 2019. The finding in the report was discussed at an exit conference with [REDACTED], BISLA's Chief Executive Officer, on February 12, 2019. Subsequent to the exit conference, BISAL responded on February 15, 2019 via email with additional documentation to support the services it billed to WRC and FDLRC. BISLA did not agree with Finding 1.

## **RESTRICTED USE**

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

## FINDING AND RECOMMENDATION

### Finding 1: Behavior Analyst – Unsupported Billings

The review of BISLA's BA program, Vendor Number PW5370, for the sampled months of December 2015 and January 2016, revealed that BISLA had unsupported billings for services billed to FDLRC and WRC. Unsupported billings occurred due to a lack of appropriate documentation to support the units of service billed to FDLRC and WRC.

DDS reviewed the direct care service hours documented on the employee timesheets and the Parental Verification Forms DS 5862 and compared those hours to the direct care service hours billed to FDLRC and WRC. DDS noted that the direct care service hours on the timesheets which were reconciled to payroll were 132 hours less than the direct care service hours billed to FDLRC and WRC. The lack of documentation resulted in unsupported billings to FDLRC and WRC in the amount of \$6,888 and 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.”

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:**

BISLA must reimburse to DDS \$6,888 for the unsupported billings. In addition, BISLA should ensure that the number of hours reported in its supporting documentation is consistent with the number of hours billed to FDLRC and WRC.

**BISLA's Response:**

BISLA stated in the response dated February 15, 2019 that it disagreed with the finding.

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



# **ATTACHMENT A**

## **BEHAVIOR INTERVENTION SPECIALISTS OF LOS ANGELES**

**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**

### **BEHAVIOR INTERVENTION SPECIALISTS OF LOS ANGELES**

**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 BISLA’S RESPONSE**

DDS evaluated BISLA’s written response to the draft audit report and the additional documentation submitted to DDS for review. DDS determined that BISLA disagreed with Finding 1. Below is a summary of BISLA’s response as well as DDS’ evaluation of the vendor’s response.

### **Finding 1: Behavior Analyst – Unsupported Billings**

*BISLA stated that DDS miscalculated some of the unsupported hours and provided DS 5862 - Parental Verification for Receipt of Behavioral Services forms to support additional hours. BISLA provided DS 5862 forms for three consumers for December 2015 and one consumer for January 2016. Based on the billed hours and the hours reported on DS 5862 forms for the four consumers identified, BISLA calculated a total of 11.25 unsupported hours, whereas DDS calculated 30.75 unsupported hours. Overall, BISLA reported there were 19.50 fewer unsupported hours than DDS calculated for the draft audit report.*

*BISLA’s response included a clarification of its processes for obtaining signatures for the DS 5862 forms, billing for hours of services provided, and paying staff for hours worked, which attributed to some billing inaccuracies, discrepancies, and omissions. BISLA also stated that, “ALL billed hours were paid to the staff, since billing and payroll use the same computerized system, while the DS forms are using a different, paper-based system, that needs to be processed manually.” Once the number of unsupported hours is reviewed and updated based on BISLA’s comments, BISLA agrees to pay the finding amount due to DDS.*

### **DDS’ Evaluation:**

DDS reviewed the DS 5862 forms provided by BISLA and noted that none of the forms were new supporting documentation. For the testing months of December 2015 and January 2016, DDS accounted for all the hours that were reported on the DS 5862 forms; however, DDS disallowed instances of direct service hours not covered by payroll records; hours that did not comply with the approved 1:1 staffing ratio for non-supervising staff; and hours that were double-billed. Therefore, all of BISLA’s requested 19.50 hours to be credited against the unsupported hours were disallowed.

### **Conclusion:**

Based on the evaluation of BISLA’s response and review of additional documentation provided, DDS determined that the supporting documentation did not support additional service hours billed for Vendor Number PW5370. DDS did not make any adjustments to Finding 1, and the total finding amount of \$6,888 is due back to DDS.