

DEPARTMENT OF DEVELOPMENTAL SERVICES'
AUDIT OF
NO ORDINARY MOMENTS, INC.

Programs and Services:

Personal Assistance – PM1352

Supported Living Services – P20658

Crisis Team – Evaluation and Behavioral Intervention – PM0374

Purchase Reimbursement – P20725

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

Audit Section

Auditors: Alimou Diallo, Acting Chief of Vendor Audit Unit
Thai Vang, Auditor
Vitaliy Bondar, Auditor

NO ORDINARY MOMENTS, INC.

TABLE OF CONTENTS

	Page(s)
EXECUTIVE SUMMARY	1
BACKGROUND.....	2
OBJECTIVE, SCOPE AND METHODOLOGY	2
CONCLUSION.....	5
VIEWS OF RESPONSIBLE OFFICIALS	5
RESTRICTED USE	5
FINDINGS AND RECOMMENDATIONS.....	6
ATTACHMENTS A-B.....	14
ATTACHMENT C – VENDOR’S RESPONSE	15
ATTACHMENT D – DDS’ EVALUATION OF NOM’s RESPONSE.....	16

EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited No Ordinary Moments, Inc. (NOM). The audit was performed upon the Personal Assistance (PA), Supported Living Service (SLS), Crisis Team – Evaluation and Behavioral Intervention (CTEB) and Purchase Reimbursement (PR) programs for the period of July 1, 2017, through June 30, 2018.

The audit disclosed the following issues of non-compliance:

Finding 1: Personal Assistance – Unsupported Billings

The review of NOM's PA program, Vendor Number PM1352, revealed that NOM had a total of \$92,202 of unsupported billings to Harbor Regional Center (HRC), Regional Center of East Bay (RCEB) and Regional Center of Orange County (RCOC).

Finding 2: Supported Living Service – Unsupported Billings

The review of NOM's SLS program, Vendor Number P20658, revealed that NOM had a total of \$119,288 of unsupported billings to HRC and RCOC.

Finding 3: Crisis Team – Evaluation and Behavioral Intervention – Unsupported Billings

The review of NOM's CTEB program, Vendor Number PM0374, revealed that NOM had a total of \$17,366 of unsupported billings to HRC and RCOC.

Finding 4: Personal Assistance – Overbillings

The review of NOM's PA program, Vendor Number PM1352, revealed that NOM had a total of \$30,051 of overbillings to RCEB and RCOC.

Finding 5: Supported Living Service – Overbillings

The review of NOM's SLS program, Vendor Number P20658, revealed that NOM had a total of \$20,733 of overbillings to HRC and RCOC.

Finding 6: Non-Compliance - Independent Audit of Financial Statements

NOM did not comply with Welfare and Institutions (W&I) Code, Section 4652.5, which requires a vendor to obtain an independent audit of its financial statements.

The total of the findings identified in this audit amounts to \$279,640, 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 NOM's programs were 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 NOM 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 NOM, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of NOM'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 NOM 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 programs and services provided to three regional centers that utilized NOM's services during the audit period. DDS audited services provided to HRC, RCEB and RCOC. These three regional centers were chosen due to the large volume of services utilized by the centers as measured by Purchase of Service (POS) expenditures.

NOM provided five types of services, of which DDS audited four, based on the amount of POS expenditures invoiced by NOM. 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.

Personal Assistance

During the audit period, NOM operated one PA program. The audit included the review of NOM's PA program, Vendor Number PM1352, SC 062 and testing was done for the sampled months of February 2018 and May 2018.

Supported Living Service

During the audit period, NOM operated one SLS program. The audit included the review of NOM's SLS program, Vendor Number P20658, SC 896 and testing was done for the sampled months of February 2018 and May 2018.

Crisis Team – Evaluation and Behavioral Intervention

During the audit period, NOM operated one CTEB program. The audit included the review of NOM's CTEB program, Vendor Number PM0374, SC 017 and testing was done for the sampled months of February 2018 and May 2018.

Purchase Reimbursement

During the audit period, NOM operated one PR program. The audit included the review of NOM's PR program, Vendor Number P20725, SC 024 and testing was done for the sampled months of February 2018 and May 2018.

Methodology

DDS used the following methodology 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(s).

- Analyzed the vendor's payroll and attendance/service records to determine if the appropriate level of staffing was provided.
- Reviewed the vendor's payroll records and trial balance to determine the vendor's operating costs.

CONCLUSION

Based upon items identified in the Findings and Recommendations section, NOM had findings of non-compliance with the requirements of CCR, Title 17 and W&I Code.

VIEWS OF RESPONSIBLE OFFICIALS

DDS issued a draft audit report on April 29, 2021. The findings in the report were discussed at an exit (ZOOM) conference with No Ordinary Moments, Inc. on May 12, 2021. Subsequent to the exit conference, on July 1, 2021, No Ordinary Moments, Inc. provided additional source documentation. NOM stated in its response that NOM agrees with the audit findings in part and disagrees in part and is disputing Findings 1, 2, 3, 4 and 5. For Finding 6, NOM stated that the 2017 independent audit was completed and the 2018 and 2019 independent audits are in the process of being completed.

RESTRICTED USE

This report is solely for the information and use of DDS, Department of Health Care Services, HRC, RCEB, RCOC and NOM. 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

The review of NOM's PA program, Vendor Number PM1352, for the sampled months of February and May 2018 revealed that NOM had unsupported billings for services billed to HRC, RCEB and RCOC. Unsupported billings occurred due to a lack of appropriate documentation to support the units of service billed to HRC, RCEB and RCOC and non-compliance with the CCR, Title 17.

DDS reviewed Consumer Weekly Time-In/Out documents, Employee Timesheet and Payroll Registers and compared the hours identified in the employee timesheets and payroll registers to the hours billed to the regional centers. For the two sampled months, DDS noted that the direct service hours on the employee timesheets which were reconciled to payroll registers were 2,366 hours less than the direct service hours billed to HRC, RCEB, and RCOC. Specifically, NOM billed for 2,366 hours of service not supported by the employee timesheets and payroll registers. The lack of documentation resulted in unsupported billings to HRC, RCEB, and RCOC in the amount of \$92,202, which is due back to DDS. (See Attachment A)

In addition, NOM did not maintain the historical data documenting the actual delivery of service to consumers for which NOM has claimed payments. Specifically, the employees' time sheets that are used to record the direct care hours of services provided do not include the place where the services were provided and a record of services provided to each consumer. This is not in compliance with the CCR, Title 17, which requires that vendors maintain complete service records to support billings for each regional center consumer in sufficient detail to verify the delivery of units of service billed.

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:

NOM must reimburse to DDS \$92,202 for the unsupported billings. In addition, NOM should comply with the CCR, Title 17 as stated above and ensure that proper documentation is maintained to support the amounts billed to HRC, RCEB and RCOC.

VENDOR’S Response:

NOM stated in the response dated July 1, 2021, that NOM agrees with the audit findings in part and disagrees in part. (See Attachment C)

Finding 2: Supported Living Service – Unsupported Billings

The review of NOM’s SLS program, Vendor Number P20658, for the sampled months of February and May 2018 revealed that NOM had unsupported billings for services billed to HRC and RCOC. Unsupported billings occurred due to a lack of appropriate documentation to support the units of service billed to HRC and RCOC and non-compliance with the CCR, Title 17.

DDS reviewed Individual Consumer Budgets, Consumer Weekly Time-In/Out documents, Employee Timesheets and Payroll Registers and compared the hours identified in the employee timesheets and payroll registers to the hours billed to RCOC. NOM’s contract with RCOC provided for individual consumer authorizations at a monthly budgeted billing rate based on each consumer’s required level of support services with a specific minimum number of hours (for example, Level Staffing of 1:1 required 744 hours a month and Level

Staffing of 2:1 required 1,488 hours a month) of support services to be provided each month.

For the two sampled months, DDS noted that the direct service hours on the employee timesheets which were reconciled to payroll registers were 3,741 hours less than the direct service hours required in the consumers' monthly budgets. Specifically, NOM billed for 3,741 hours of service not supported by the employee timesheets and payroll registers. The lack of documentation resulted in unsupported billings to HRC and RCOC in the amount of \$119,288, which is due back to DDS. (See Attachment A)

In addition, NOM did not maintain the historical data documenting the actual delivery of service to consumers for which NOM has claimed payments. Specifically, the employee timesheets that are used to record the direct care hours of services provided do not include the place where the services were provided and a record of services provided to each consumer. This is not in compliance with the CCR, Title 17, which requires that vendors maintain complete service records to support billings for each regional center consumer in sufficient detail to verify the delivery of units of service billed.

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:

NOM must reimburse to DDS \$119,288 for the unsupported billings. In addition, NOM should comply with the CCR, Title 17 as stated above and ensure that proper documentation is maintained to support the amounts billed to HRC and RCOC.

VENDOR'S Response:

NOM stated in the response dated July 1, 2021, that NOM agrees with the audit findings in part and disagrees in part. (See Attachment C)

Finding 3: Crisis Team – Evaluation and Behavioral Intervention – Unsupported Billings

The review of NOM's CTEB program, Vendor Number PM0374, for the sampled months of February and May 2018 revealed that NOM had unsupported billings for services billed to HRC and RCOC. Unsupported billings occurred due to a lack of appropriate documentation to support the units of service billed to HRC and RCOC and non-compliance with the CCR, Title 17.

DDS reviewed Consumer Weekly Time-In/Out documents, Employee Timesheets and Payroll Registers and compared the hours identified in the employee timesheets and payroll registers to the hours billed to HRC and RCOC. NOM is paid an hourly rate for the CTEB services based upon the specific needs of the consumer.

For the two sampled months, DDS noted that the direct service hours on the employee timesheets which were reconciled to payroll registers were 472 hours less than the direct service hours billed to HRC and RCOC. Specifically, NOM billed for 472 hours of service not supported by the employee timesheets and payroll registers. The lack of documentation resulted in unsupported billings to HRC and RCOC in the amount of \$17,366, 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."

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:

NOM must reimburse to DDS \$17,366 for the unsupported billings. In addition, NOM should comply with the CCR, Title 17 as stated above and ensure that proper documentation is maintained to support the amounts billed to HRC and RCOC.

VENDOR'S Response:

NOM stated in the response dated July 1, 2021, that NOM agrees with the audit findings in part and disagrees in part. (See Attachment C)

Finding 4: Personal Assistance – Overbillings

The review of NOM's PA program, Vendor Number PM1352 for the sampled months of February and May 2018 revealed that NOM had overbillings for services billed to RCEB and RCOC.

Overbillings occurred due to billing for hours of service exceeding the authorized staffing ratio. For example, if a consumer was authorized for up to a 2:1 staffing ratio, maximum billing to RCEB and RCOC should be up to 48 hours per day. An overbilling would occur if NOM billed RCEB and RCOC 72 hours of service in a day.

DDS noted that the direct service hours on employee timesheets which were reconciled to payroll registers identified 771 hours in excess of the approved staffing ratios of 1:1, 2:1, or 3:1. NOM overbilled 771 hours, which resulted in overbillings to RCOC and RCEB in the amount of \$30,051, 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.”

Recommendation:

NOM must reimburse to DDS \$30,051 for the overbillings. In addition, NOM should provide services in accordance with the RCEB and RCOC contract and/or authorization with NOM to ensure that hours are accurately billed to the RCEB and RCOC.

VENDOR’S Response:

NOM stated in the response dated July 1, 2021, that NOM agrees with the audit findings in part and disagrees in part. (See Attachment C)

Finding 5: Supported Living Service – Overbillings

The review of NOM’s SLS program, Vendor Number P20658 for the sampled months of February and May 2018 revealed that NOM had overbillings for services billed to HRC and RCOC. Overbillings occurred due to billing for hours of service exceeding the authorized staffing ratio to HRC and RCOC.

SLS authorizations for each consumer included authorized staffing ratios, such as 1:1, 2:1, or 3:1. An overbilling occurred when more staff were billed per shift than were authorized by the staffing ratio. For example, if a consumer was authorized for up to a 2:1 staffing ratio, maximum billing to HRC and RCOC should be up to 48 hours per day. An overbilling would occur if NOM billed HRC and RCOC 72 hours of service in a day.

DDS reviewed the direct service hours documented on employee timesheets and compared those hours to the direct service hours billed to HRC and RCOC. DDS noted that the direct service hours on the timesheets which were reconciled to payroll registers identified 746 hours in excess of the approved

staffing ratios of 1:1, 2:1, or 3:1. NOM overbilled 746 hours, which resulted in overbillings to HRC and RCOC in the amount of \$20,733, 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.”

Recommendation:

NOM must reimburse to DDS \$20,733 for the overbillings. In addition, NOM should provide services in accordance with the HRC and RCOC contracts and/or authorizations with NOM to ensure that hours are accurately billed to HRC and RCOC.

VENDOR’S Response:

NOM stated in the response dated July 1, 2021, that NOM agrees with the audit findings in part and disagrees in part. (See Attachment C)

Finding 6: Non-Compliance - Independent Audit of Financial Statements

DDS has determined that NOM is not in compliance with the W&I Code, Section 4652.5, which requires a vendor to obtain an independent audit of its financial statements for vendor fiscal year 2017.

W&I Code, Section 4652.5(a)(1)(B) and (c) states:

“(a)(1) An entity receiving payments from one or more regional centers shall contract with an independent accounting firm for an audit or review of its financial statements subject to all of the following:

- (B) When the amount received from the regional center or regional centers during the entity’s fiscal year is equal to or more than five hundred thousand dollars (\$500,000), the entity shall obtain an independent audit of its financial statements for the period.

- (c) Regional centers receiving the audit or review reports required by subdivision (b) shall review and require resolution by the entity for issues identified in the report that have an impact on regional center services. Regional centers shall take appropriate action, up to termination of vendorization, for lack of adequate resolution of issues.”

“Effective June 9, 2016, WIC, Section 4652.5 was amended...

In accordance with this statute, “If the amount received from the regional center or regional centers during each state fiscal year is equal to or more than two million dollars (\$2,000,000), the entity shall obtain an independent audit of its financial statements for the entity’s fiscal year that includes the last day of the most recent state fiscal year”, FY 2017.

Per WIC, Section 4652.5(b), “An entity subject to subdivision (a) shall provide copies of the independent audit or independent review report required by subdivision (a), and accompanying management letters, to the vendoring regional center within nine months of the end of the entity’s fiscal year.”

Recommendation:

NOM must obtain an independent audit of its financial statements and provide copies of the independent audit report to the respective regional centers and DDS.

VENDOR’S Response:

NOM stated in the response dated July 1, 2021, that the it had provided the audit for 2017 and the audits for 2018 and 2019 were in the process of being completed. (See Attachment C)

ATTACHMENTS A-B

NO ORDINARY MOMENTS, INC.

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

NO ORDINARY MOMENTS, 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 D – DDS’ EVALUATION OF NOM’S RESPONSE

DDS evaluated No Ordinary Moments, Inc.’s (NOM’s) written response to the draft audit report and determined that NOM agrees with the audit findings in part and disagrees in part. Below is a summary of NOM’s response as well as DDS’ evaluation of the vendor’s response.

Finding 1: Personal Assistance – Unsupported Billings

NOM stated in their response, *“No Ordinary Moments agrees with the audit findings in part and disagrees in part. In the attached document titled 062 Unsupported and Overbillings Dispute you will find our corrections and supporting documents. We are disputing at [sic] total of \$134,781.15. In the attached document titled Missing Dispute you will find our corrections and supporting documents. We are disputing a total of \$323,017.52. Total amount in dispute for PA Unsupported Billings, Overbillings and Missing: \$457,798.66.”*

DDS disagrees with the disputed amount for Finding 1. The total amount NOM is disputing for PA Unsupported Billings, Overbillings and Missing is \$457,799. However, only \$436,300 of this amount pertains to Finding 1. DDS reviewed the additional documentation to support the consumers’ billings for the sample months. Based on the review of the additional documents, DDS determined that NOM supported an additional 10,604 hours of service that were previously classified as unsupported billings during the audit fieldwork.

As a result, NOM was allowed credit for \$413,368. Therefore, the total amount in Finding 1 was reduced to \$92,202 (\$505,570 - \$413,368).

The remaining amount of \$21,499 (\$457,799 - \$436,300) is the amount NOM is disputing as overbilled for Finding 4. (See finding 4 for Adjustments)

Finding 2: Supported Living Service – Unsupported Billings

NOM stated in their response, *“No Ordinary Moments agrees with the audit findings in part and disagrees in part. In the attached document titled 896 Unsupported and Overbillings Dispute you will find our corrections and supporting documents. We are disputing a total of \$112,545.62. In the attached document titled Missing Dispute you will find our corrections and supporting documents. We are disputing a total of \$27,665.08. Total amount in dispute for SL Services Unsupported Billings, Overbillings and Missing: \$140,210.70.”*

DDS disagrees with the total amount NOM is disputing for SLS Unsupported Billings. DDS reviewed the additional documentation to support the consumers’ billing for the sample months. Based on the review of the additional documents, DDS determined that NOM supported an additional 3,531 hours of service that were previously classified as unsupported billings during the audit fieldwork.

ATTACHMENT D – DDS’ EVALUATION OF NOM’S RESPONSE

As a result, NOM was allowed credit for \$98,160. Therefore, the total amount in Finding 2 was reduced to \$119,288 (\$217,448 - \$98,160).

Additionally, NOM stated in their response, *“I have also written a detailed argument further detailing why I feel we should be allowed to prevail in our findings for these few men in Supported Living.”*

NOM provided detailed reasons why they should be allowed to prevail in the audit finding for six consumers in the Supported Living Service program. NOM asserts these consumers received Program Coordination services not documented as direct service hours. However, they did not provide any source documentation to substantiate that services were provided. NOM was allowed credit for all verifiable service hours.

Finding 3: Crisis Team – Evaluation and Behavioral Intervention – Unsupported Billings

NOM stated in their response, *“No Ordinary Moments agrees with the audit findings in part and disagrees in part. In the attached document titled 017 Unsupported and Overbillings Dispute you will find our corrections and supporting documents. We are disputing a total of \$2,785.20. In the attached document titled Missing Dispute you will find our corrections and supporting documents. We are disputing a total of \$69,943.56. Total amount in dispute for Crisis Team Unsupported Billings and Missing: \$65,728.76.”*

DDS disagrees with the total amount NOM is disputing for CTEB Unsupported Billings. DDS reviewed the additional documentation to support the consumers’ billing for the sample months. Based on the review of the additional documents, DDS determined that NOM supported an additional 1,750 hours of service that were previously classified as unsupported billings during the audit fieldwork.

As a result, NOM was allowed credit for \$64,567. Therefore, the total amount in Finding 3 was reduced to \$17,366 (\$81,933 - \$64,567).

Finding 4: Personal Assistance – Overbillings

NOM stated in their response, *“No Ordinary Moments agrees with the audit findings in part and disagrees in part. In the attached document titled 062 Unsupported and Overbillings Dispute you will find our corrections and supporting documents. We are disputing at [sic] total of \$134,781.15. In the attached document titled Missing Dispute you will find our corrections and supporting documents. We are disputing a total of \$323,017.52. Total amount in dispute for PA Unsupported Billings, Overbillings and Missing: \$457,798.66.”* DDS disagrees with the total amount NOM is disputing for PA Overbillings. As previously stated in DDS’ evaluation of Finding 1, NOM is disputing a total of \$21,499 in overbillings.

ATTACHMENT D – DDS’ EVALUATION OF QLS’s RESPONSE

DDS reviewed the additional documentation to support the consumers’ billing for the sample months. Based on the review of the additional documents, DDS determined that NOM supported an additional 469 hours of service that were previously classified as overbillings during the audit fieldwork.

As a result, NOM was allowed credit for \$18,263. Therefore, the total amount in Finding 4 was reduced to \$30,051 (\$48,314 - \$18,263).

Finding 5: Supported Living Services – Overbillings

NOM stated in their response, *“No Ordinary Moments agrees with the audit findings in part and disagrees in part. In the attached document titled 896 Unsupported and Overbillings Dispute you will find our corrections and supporting documents. We are disputing a total of \$112,545.62. In the attached document titled Missing Dispute you will find our corrections and supporting documents. We are disputing a total of \$27,665.08. Total amount in dispute for SL Services Unsupported Billings, Overbillings and Missing: \$140,210.70.”*

DDS agrees with the total amount NOM is disputing for SLS Overbillings. As previously stated in DDS’ evaluation of Finding 2, NOM is disputing a total of \$1,575 in overbillings. DDS reviewed the additional documentation to support the consumers’ billing for the sample months. Based on the review of the additional documents, DDS determined that NOM supported an additional 56 hours of service that were previously classified as overbillings during the audit fieldwork.

As a result, NOM was allowed credit for \$1,575. Therefore, the total amount in Finding 5 was reduced to \$20,733 (\$22,308 - \$1,575).

Finding 6: Non-Compliance – Independent Audit of Financial Statements

NOM stated in their response, *“We are attaching the 2017 independent audit. The audits for 2018 and 2019 are in the process of being completed.”*

DDS did not receive the 2017 independent audit on July 1, 2021 as stated. However, DDS received the 2017 independent audit on October 4, 2021 and the 2018 independent audit on October 8, 2021. The 2019 independent audit is still pending.

Conclusion:

DDS amended its audit report to reflect the additional documentation received. Based on the evaluation of NOM’s additional documents, DDS allowed an additional 16,410 hours of service. As a result, an adjustment of \$595,933 was made and reflected in the final audit report. DDS is requesting reimbursement of \$279,640 (\$875,573 - \$595,933) for the unsupported billings and overbillings identified in this audit.