

DEPARTMENT OF DEVELOPMENTAL SERVICES'
AUDIT OF
COMMUNITY PSYCHIATRIC SOCIAL REHABILITATION CENTERS, INC.

Programs and Services:

Adult Development Center – Vendor Number HQ0286

Behavior Management Program – Vendor Numbers H25684 and H27166

Audit Period: July 1, 2019, through June 30, 2020

Audit Section

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COMMUNITY PSYCHIATRIC SOCIAL REHABILITATION CENTERS, INC.

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EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited Community Psychiatric Social Rehabilitation Centers, Inc. (CPSRC). The audit was performed upon the Adult Development Center (ADC) and Behavior Management Program (BMP) for the period of July 1, 2019, through June 30, 2020.

The audit disclosed the following issues of non-compliance:

Finding 1: Adult Development Center and Behavior Management Program – Unsupported Staffing Ratio

The review of CPSRC's ADC and BMP programs, Vendor Numbers HQ0286, H25684 and H27166, revealed that CPSRC did not meet its required direct care staffing hours. This resulted in a shortage of the required direct care staffing of 1,547 hours and overpayments of \$20,195 for services billed to San Diego Regional Center (SDRC) and Inland Regional Center (IRC).

Finding 2: Behavior Management Program – Unsupported Billings

The review of CPSRC's BMP, Vendor Numbers H25684, revealed that CPSRC had a total of \$1,272 of unsupported billings to SDRC and IRC.

Finding 3: Adult Development Center – Unsupported Billings

The review of CPSRC's ADC program, Vendor Number HQ0286, revealed that CPSRC had a total of \$910.00 of unsupported billings to SDRC.

The total of the findings identified in this audit amounts to \$22,377, 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 CPSRC'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 CPSRC for the period of July 1, 2019, through June 30, 2020.

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 CPSRC, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of CPSRC'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 CPSRC 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 two regional centers that utilized CPSRC's services during the audit period. DDS audited services provided to SDRC and IRC. 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.

CPSRC provided two different types of services, of which DDS audited both. Services chosen were based on the amount of POS expenditures invoiced by CPSRC. 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.

Adult Development Center

During the audit period, CPSRC operated one ADC program. The audit included the review of CPSRC's ADC program, Vendor Number HQ0286, Service Code 510, and testing was done for the sampled months of January 2020 and February 2020.

Behavior Management Program

During the audit period, CPSRC operated two BMPs. The audit included the review of CPSRC's BMPs, Vendor Numbers H25684 and H27166, Service Code 515, and testing was done for the sampled months of January 2020 and February 2020.

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

CONCLUSION

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

VIEWS OF RESPONSIBLE OFFICIALS

DDS issued a draft audit report on October 10, 2022. The findings in the report were discussed at an exit conference with CPSRC on October 12, 2022. However, CPSRC did not submit a response to the draft audit report.

RESTRICTED USE

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

FINDINGS AND RECOMMENDATIONS

Finding 1: Adult Development Center and Behavior Management Program – Unsupported Staffing Ratio

The review of CPSRC's ADC and BMP programs, Vendor Numbers HQ0286, H25684 and H27166 for the sampled months of January 2020 and February 2020, revealed that CPSRC had overpayments of services billed to SDRC and IRC. Overpayments occurred due to CPSRC not meeting the approved staff-to-consumer ratio of 1:3 for the units of service billed to SDRC and IRC.

DDS reviewed the direct care service hours documented on the Monthly Attendance Sheets, Consumer Daily Notes, Consumer Daily Interdisciplinary Notes and employee Timesheets and reconciled those hours to payroll records.

For the BMP, Vendor Number H27166, DDS found that the actual direct care hours were 592 hours less than the required hours to meet the approved staff-to-consumer ratio of 1:3 hours billed to SDRC. The total unsupported direct care staffing hours of 592 multiplied by the average salary of the staff for the BMP for the sampled months, amounts to \$7,696, which is due back to DDS. (See Attachment A)

For the BMP, Vendor Number H25684, DDS found that the actual direct care hours were 25 hours less than the required hours to meet the approved staff-to-consumer ratio of 1:3 hours billed to IRC. The total unsupported direct care staffing hours of 25 multiplied by the average salary of the staff for the BMP for the sampled months, amounts to \$344, which is due back to DDS. (See Attachment A)

For the ADC, Vendor Number HQ0286, DDS found that the actual direct care hours were 930 hours less than the required hours to meet the approved staff-to-consumer ratio of 1:3 hours billed to SDRC. The total unsupported direct care staffing hours of 930 multiplied by the average salary of the staff for the ADC for the sampled months, amounts to \$12,155, which is due back to DDS. (See Attachment A)

CCR, Title 17, Section 56756 (a), (e), (f), (g), (h), and (i) (1) and (2) states:

“(a) A staffing ratio shall be approved for each adult day program by the Department pursuant to this section. This ratio shall be based on the program design, the curriculum as vendored, the characteristics and needs of the consumers to be served, and the number of consumers enrolled.(e) Adult development centers shall provide a direct care staff to-consumer ratio of 1:4.

- (1) The vendor is authorized to request Department approval for modification of the staffing for an Adult Development Center to an overall direct care staff-to-consumer ratio of 1:3. A written request and justification shall be submitted to the Department by the regional center which documents the findings pursuant to the criteria listed below. The overall direct care staffing ratio shall be determined by averaging the specific staff-to-consumer ratio needed for each individual consumer. The regional center shall consider whether the Adult Development Center meets the following criteria for modification of the direct care staffing ratio of 1:4.
- (f) Behavior management programs shall provide a direct care staff-to-consumer ratio of 1:3.
 - (i) The vendor shall maintain the approved staffing ratio during its direct service hours. The vendor shall not be required to schedule the ratio with each subgroup of consumers at all times, but shall maintain both:
 - (1) The ratio of staff on duty to consumers in attendance during all service hours which shall be determined by a numerical comparison of the number of individuals on duty as direct care staff with the number of consumers in attendance. If the numerical comparison results in a fraction, more than one-half of a staff person shall be rounded up to the next whole number. Less than one-half of a staff person shall be rounded up to the next one-half of a whole number. One-half of a staff person shall not be rounded.
 - (2) Sufficient supervision for each subgroup to protect the health and safety of the consumers.

Recommendation:

CPSRC must reimburse to DDS \$20,195 for the overpayment of services for the unsupported direct care staffing hours. In addition, CPSRC should ensure that the approved staff-to-consumer ratio is met.

Vendor's Response:

CPSRC did not submit a response to the draft audit report.

Finding 2: Behavior Management Program – Unsupported Billings

The review of CPSRC's BMP program, Vendor Numbers H25684, for the sampled months of January 2020 and February 2020, revealed that CPSRC

had unsupported billings for services billed to IRC. Unsupported billings occurred due to a lack of appropriate documentation to support the units of service billed to IRC and non-compliance with CCR, Title 17.

DDS reviewed the direct service days documented on the Monthly Attendance Sheets and Consumer Daily Notes and compared those days to the direct care service days billed to IRC. DDS noted that the direct care service days on the Attendance Sheets and Session Notes were 16 days less than the direct care days billed to IRC. The lack of documentation resulted in unsupported billings to IRC in the amount of \$1,272, 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.”

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:

CPSRC must reimburse to DDS \$1,272 for the unsupported billings. In addition, CPSRC should comply with the CCR, Title 17 as stated above to ensure that proper documentation is maintained to support the amounts billed to IRC.

Vendor's Response:

CPSRC did not submit a response to the draft audit report.

Finding 3: Adult Development Center – Unsupported Billings

The review of CPSRC's ADC program, Vendor Numbers HQ0286, for the sampled months of January 2020 and February 2020, revealed that CPSRC had unsupported billings for services billed to SDRC. Unsupported billings occurred due to a lack of appropriate documentation to support the units of service billed to SDRC and non-compliance with CCR, Title 17.

DDS reviewed the direct service days documented on the Monthly Attendance Sheets and Daily Interdisciplinary Notes and compared those days to the direct care service days billed to SDRC. DDS noted that the direct care service days on the Attendance Sheets and Interdisciplinary Notes were 11.5 days less than the direct care days billed to SDRC. The lack of documentation resulted in unsupported billings to SDRC in the amount of \$910, 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.”

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:

CPSRC must reimburse to DDS \$910.00 for the overbillings. In addition, CPSRC should comply with the CCR, Title 17 as stated above to ensure that proper documentation is maintained to support the amounts billed to SDRC.

Vendor's Response:

CPSRC did not submit a response to the draft audit report.

ATTACHMENTS A-B

COMMUNITY PSYCHIATRIC SOCIAL REHABILITATION CENTERS, 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

COMMUNITY PSYCHIATRIC SOCIAL REHABILITATION CENTERS, INC.

As part of the audit report process, Community Psychiatric Social Rehabilitation Centers, Inc. (CPSRC) was afforded the opportunity to respond to the draft audit. However, CPSRC did not submit a response to the draft audit report.