

**DEPARTMENT OF DEVELOPMENTAL SERVICES'**  
**AUDIT OF**  
**UNITED CEREBRAL PALSY OF THE NORTH BAY**

**Programs:**

Adult Development Center – HN0284, HN0322, HN0344, HN0388

Behavior Management Program – HN0285, HN0345, HN0346, HN0389

Transportation-Additional Component – HN0286, HN0376

Behavior Analyst – PN0636

Supported Employment Program-Group Services – HN0390

Supported Employment Program-Individual Services – HN0391

Audit Period: July 1, 2012, through March 31, 2014

**Audit Section**

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# UNITED CEREBRAL PALSY OF THE NORTH BAY

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## EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited United Cerebral Palsy of the North Bay (UCPNB). The audit was performed upon the Adult Development Center (ADC), Behavior Management Program (BMP), Transportation-Additional Component (TAC), Behavior Analyst (BA), Supported Employment Program-Group (SEP-Group) Services and Supported Employment Program-Individual (SEP-Individual) Services for the period of July 1, 2012, through March 31, 2014.

The audit disclosed the following issues of non-compliance:

**Finding 1: Adult Development Center and Behavior Management Program - Underprovided Staff-to-Consumer Ratio Hours**

The review of UCPNB's ADC programs, Vendor Numbers HN0284, HN0322 and HN0344, and UCPNB's BMPs, Vendor Numbers HN0285, HN0345 and HN0346, revealed that UCPNB did not meet its staff-to-consumer ratio, which resulted in \$17,425 of overpayments to North Bay Regional Center (NBRC).

**Finding 2: Transportation-Additional Component – Incorrect Billings**

The review of UCPNB's TAC program, Vendor Number HN0286, revealed that UCPNB had a total of \$8,286 of incorrect billings to NBRC.

**Finding 3: Adult Development Center – Unsupported Billings**

The review of UCPNB's ADC programs, Vendor Numbers HN0284 and HN0322, revealed that UCPNB had a total of \$3,106 of unsupported billings to NBRC.

**Finding 4: Behavior Analyst – Unsupported Billings**

The review of UCPNB's BA program, Vendor Number PN0636, revealed that UCPNB had a total of \$1,872 of unsupported billings to NBRC and Golden Gate Regional Center (GGRC).

The total findings identified in this audit amounts to \$30,689 and 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 UCPNB's ADC, BMP, TAC, BA, SEP-Group Services and SEP-Individual Services were compliant with the W&I Code, California Code of Regulations (CCR), Title 17 and the regional centers' contracts with UCPNB for the period of July 1, 2012, through March 31, 2014.

### **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 UCPNB, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of UCPNB'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 UCPNB complied with the W&I Code and CCR, Title 17. Any complaints that DDS' Audit Section was aware of regarding non-compliance with laws and regulations were reviewed and followed-up on during the course of the audit.

The audit scope was determined by reviewing the programs and services provided to two regional centers that utilized UCPNB's services during the audit period. DDS audited services provided to GGRC and NBRC. 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.

UCPNB provided six different types of services, all of which, DDS audited. Services chosen were also based on the amount of POS expenditures invoiced by UCPNB. 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, UCPNB operated four ADC programs. The audit included the review of four of UCPNB's ADC programs, Vendor Numbers HN0284, HN0322, HN0344 and HN0388, Service Code (SC) 510 and testing was done for the sampled months of December 2013 and January 2014.

## **Behavior Management Program**

During the audit period, UCPNB operated four BMPs. The audit included the review of four of UCPNB's BMPs, Vendor Numbers HN0285, HN0345, HN0346 and HN0389, SC 515 and testing was done for the sampled months of December 2013 and January 2014.

## **Transportation - Additional Component**

During the audit period, UCPNB operated two TAC programs. The audit included the review of two of UCPNB's TAC programs, Vendor Numbers HN0286 and HN0376, SC 880 and testing was done for the sampled months of December 2013 and January 2014.

## **Behavior Analyst**

During the audit period, UCPNB operated one BA program. The audit included the review of UCPNB's BA program, Vendor Number PN0636, SC 612 and testing was done for the sampled months of December 2013 and January 2014.

## **Supported Employment Program-Group Services**

During the audit period, UCPNB operated one SEP-Group Services Program. The audit included the review of UCPNB's SEP-Group, Vendor Number HN0390, SC 950 and testing was done for the sampled months of December 2013 and January 2014.

## **Supported Employment Program-Individual Services**

During the audit period, UCPNB operated one SEP-Individual Services Program. The audit included the review of UCPNB's SEP-Individual, Vendor Number HN0391, SC 952 and testing was done for the sampled months of December 2013 and January 2014.

## **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 its 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, Administrator and Program Coordinators, for vendor background information and to gain understanding of accounting procedures and financial reporting process.

## **CONCLUSION**

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

## **VIEWS OF RESPONSIBLE OFFICIALS**

DDS issued a draft audit report on February 5, 2020. The finding(s) in the report were discussed at an exit telephone conference with UCPNB on February 14, 2020. Subsequent to the exit conference, DDS received UCPNB's response on March 18, 2020.

## **RESTRICTED USE**

This report is solely for the information and use of DDS, Department of Health Care Services, GGRC, NBRC and UCPNB. 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 - Underprovided Staff-to-Consumer Ratio Hours**

The review of UCPNB's ADC programs, Vendor Numbers HN0284, HN0322 and HN0344, and BMPs, Vendor Numbers HN0285, HN0345 and HN0346, for the sampled months of December 2013 and January 2014 revealed that UCPNB had overpayments of services billed to NBRC. Overpayments occurred due to UCPNB not meeting the approved staff-to-consumer ratio of 1:4 for the ADC programs and 1:3 for the BMPs, for units of service billed to NBRC.

UCPNB operated ADC programs and BMPs at three different facilities: WineBev Services (WBS), Old Adobe Developmental Services (OADS) and Gone For Good (GFG). Of the three facilities, WBS and GFG did not meet the required staff-to-consumer ratio hours.

UCPNB's WBS facility – On-Site, Vendor Numbers HN0284, SC 510 and HN0285, SC 515, was required to provide 2,262 and 2,595 direct care service hours for the sampled months of December 2013 and January 2014, respectively. However, the audit revealed that UCPNB provided only 2,137 direct care service hours for December 2013 and 2,340 direct care service hours for January 2014. The underprovided hours of 125 and 255, multiplied by the direct care staff's average hourly rate of \$14.88 and \$14.45, amounted to overpayments of \$1,860 for December 2013 and \$3,685 for January 2014. (See Attachment A)

UCPNB's WBS facility – Off-Site, Vendor Numbers HN0322, SC 510 and HN0346, SC 515, was required to provide 1,565 and 1,807 direct care service hours for the sampled months of December 2013 and January 2014, respectively. However, the audit revealed that UCPNB provided only 1,286 direct care service hours for December 2013 and 1,323 direct care service hours for January 2014. The underprovided hours of 279 and 484, multiplied by the direct care staff's average hourly rate of \$12.39 and \$12.46, amounted to overpayments of \$3,457 for December 2013 and \$6,031 for January 2014. (See Attachment A)

UCPNB's GFG facility, Vendor Numbers HN0344 and HN0345, was required to provide 1,746 and 2,027 direct care service hours for the sampled months of December 2013 and January 2014, respectively. However, the audit revealed that UCPNB provided only 1,718 direct care service hours for December 2013 and 1,884 direct care service hours for January 2014. The underprovided hours of 28 and 143, multiplied by the direct care staff's average hourly rate of \$14.31 and \$13.92, amounted to overpayments of \$401 for December 2013 and \$1,991 for January 2014. (See Attachment A)



The total combined underprovided direct care staffing hours of 1,314 hours resulted in an overpayment of \$17,425, which is due back to DDS.  
(See Attachment A)

CCR, Title 17, Section 50606(b)(4)(A) and (B) states:

“(b) Audits shall be performed to accomplish any or all of the following objectives as applicable to the specific service provider: ...

(4) Verification through analysis of payroll and consumer service records that staff-to-consumer ratios required by regulation, contract, or agreement are met.

(A) Verification that the required staff-to-consumer ratios are being met shall be determined as follows:

(1) For activity centers, adult development centers, and behavior management programs:

(a) For each month of the audit period multiply the number of actual consumer days of attendance by the number of direct service hours operated per day;

(b) Divide the total computed in a. by the approved staffing ratio to compute the number of direct care staff hours required during the approved program hours each month to maintain the approved staffing ratio; and...

(B) If a determination is made that the approved staff-to-consumer ratio has not been met, the amount of any overpayments shall be determined as follows:

(1) Subtract the number of direct care staff hours actually provided during the audit period from the number of direct care staff hours required pursuant to (A)1. or (A)2.;

(2) Multiply the amount computed in 1. by the average hourly salary and wage and fringe benefit costs reported pursuant to Sections 57434(a)(1)(A) and (a)(2) and which were utilized to calculate the vendor’s rate of reimbursement received during the audit period.”

**Recommendation:**

UCPNB must reimburse to DDS \$17,425 for the overpayment of services due to the underprovided direct care staffing hours. In addition, UCPNB should ensure it has sufficient staffing to meet the direct care staff-to-consumer ratio.

**VENDOR’S Response:**

In its response dated March 16, 2020, UCPNB requested that DDS reconsider its disallowance of administrative staff member timesheets and corresponding direct service hours as documentation of services provided and exclude the \$17,425 from the reimbursement that DDS is requesting from UCPNB. (See Attachment C)

**Finding 2: Transportation - Additional Component – Incorrect Billings**

The review of UCPNB’s TAC program, Vendor Number HN0286, for the sampled months of December 2013 and January 2014 revealed that UCPNB had incorrect billings for services billed to NBRC. Incorrect billings occurred due to incorrect time conversions from minutes to decimal hours for the units of service billed to NBRC.

For the sampled months of December 2013 and January 2014, UCPNB billed NBRC a total of \$101,209 for transportation services. Based on the units billed and using the correct time conversion, UCPNB should have billed the audited amount of \$92,923 to NBRC. The incorrect time conversions resulted in incorrect billings to NBRC in the amount of \$8,286, 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)(10) states:

- “(a) All vendors shall: ...
  - (10) Bill only for services which are actually provided to consumers and which have been authorized by the referring regional center.”

**Recommendation:**

UCPNB must reimburse to DDS \$8,286 for the incorrect billings. In addition, UCPNB should develop and implement policies and procedures to ensure it has proper measures in place to compute accurately the billings to NBRC.

**VENDOR'S Response:**

In its response dated March 16, 2020, UCPNB requested that DDS accept the revised transportation billings as accurate and exclude the \$13,020 from the requested reimbursement. In addition, UCPNB requested that DDS to credit UCPNB the \$1,790 underpayment for the transportation services they provided. UCPNB submitted re-calculated transportation hours and miles reports that had previously been -submitted to DDS in 2015.  
(See Attachment C)

**Finding 3: Adult Development Center – Unsupported Billings**

The review of UCPNB's ADC program, Vendor Numbers HN0284 and HN0322, for the sampled months of December 2013 and January 2014 revealed that UCPNB had unsupported billings for services billed to NBRC. Unsupported billings occurred due to a lack of appropriate documentation to support the units of service billed to NBRC.

UCPNB was not able to provide appropriate supporting documentation for 72 hours of services billed under sub codes HRLY and 01W, as well as 51 days for the daily services. The lack of documentation resulted in unsupported billings to NBRC in the amount of \$358 and \$2,748 for the hourly and daily services, respectively. The total unsupported billings of \$3,106 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:**

UCPNB must reimburse to DDS \$3,106 for the unsupported billings. In addition, UCPNB should ensure that proper documentation is maintained to support the amounts billed to NBRC.

**VENDOR’S Response:**

UCPNB stated in the response dated March 16, 2020 that it did not contest this finding. (See Attachment C)

**Finding 4: Behavior Analyst – Unsupported Billings**

The review of UCPNB’s BA program, Vendor Number PN0636, for the sampled months of December 2013 and January 2014 revealed that UCPNB had unsupported billings of services to GGRC and NBRC. Unsupported billings occurred due to a lack of appropriate documentation to support the units of service billed to GGRC and NBRC.

UCPNB was not able to provide appropriate supporting documentation for 57 hours of services billed to NBRC and 21 hours billed to GGRC. The lack of documentation resulted in unsupported billings to NBRC and GGRC in the amount of \$1,368 and \$504, respectively. The combined total of unsupported billings to the regional centers is \$1,872, 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:**

UCPNB must reimburse to DDS \$1,872 for the unsupported billings. In addition, UCPNB should ensure that proper documentation is maintained to support the amounts billed to NBRC and GGRC.

**VENDOR'S Response:**

UCPNB stated in the response dated March 16, 2020 that it did not contest this finding. (See Attachment C)

## **ATTACHMENTS A-B**

### **UNITED CEREBRAL PALSY OF THE NORTH BAY**

**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**

### **UNITED CEREBRAL PALSY OF THE NORTH BAY**

**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 UCPNB’S RESPONSE**

DDS evaluated United Cerebral Palsy of the North Bay’s (UCPNB) response to the draft audit report and determined that UCPNB is contesting Findings 1 and 2, and not disputing Findings 3 and 4. Below is a summary of UCPNB’s response, as well as DDS’ evaluation of UCPNB’s response.

### **Finding 1: Adult Development Center and Behavior Management Program - Underprovided Staff-to-Consumer Ratio Hours**

*“DDS disallowed the use of our experienced administrative staff members that were used in ratio when needed. Although this is not our preferred practice, those staff members have years more direct service experience and expertise than new direct service staff members and manage the program regularly.*

*The rationale that you used to make the determination was that the timesheets we provided for administrative staff members were signed as being ‘present’ for the day rather than for the hours recorded for direct service staff members. This is the basic difference between exempt and non-exempt employees.*

*According to common labor practice, we do not and should not maintain hourly time sheets for exempt employees because they may then be eligible for overtime, like hourly employees. Administrative staff members receive a salary for their experience and education - and for the additional hours that they regularly work whether daily or weekly.*

*We are not aware of any provision in Title 17 that requires staff members providing direct service to complete hourly timesheets, or any provision that precludes staff members providing direct service (in this case administrative staff) from completing daily time sheets indicating that they were present. Please see attached timesheets of the exempt staff members you disallowed using in ratio that resulted in your reimbursement request.”*

By providing timesheets for exempt employees/administrators, UCPNB did not substantiate whether actual direct care services were provided and to whom the services were provided. The administrator’s timesheets did not include the consumer’s name or the number of units of service provided. The executive/management team’s experience and expertise does not exempt them from complying with Title 17, Section 50604, Service Provider Record Maintenance Requirements. Title 17 regulations require all service providers to maintain complete service records to support all billing/invoicing for each regional center consumer served. The administrators’ timesheets are not documentation of compliance with the requirements of Title 17.



## **ATTACHMENT D – DDS’ EVALUATION OF UCPNB’S RESPONSE**

Title 17, Section 50604 states:

- (d) “All service providers shall maintain complete service records to support all billing/invoicing for each regional center consumer in the program. Service records used to support service providers’ billing/invoicing shall include, but not be limited to....”
- (3) A record of services provided to each consumer. The record shall include:
  - (C) For community-based day programs, the dates of service, place where service was provided, the start and end time of services provided to the consumer, and the daily or hourly units of services provided...”
- (e) All service providers’ records shall be supported by source documentation.”

### **Finding 2: Transportation-Additional Component – Incorrect Billings**

*“Because the alleged over-billing issue was using incorrect time conversion on transportation logs, we recalculated the billings and resubmitted them to you showing that, in fact, we had underbilled transportation for the months in question by \$1,790. Please keep in mind that during this time our transportation services ran both efficiently and effectively for our consumers.*

*We are requesting that you accept the revised transportation billings as accurate and exclude the \$13,020 from the reimbursement that you are requesting from UCP of the North Bay. In addition, we are requesting that you credit us for the \$1,790 underpayment for the transportation services that we provided. Please see attached re-calculated transportation hours and miles reports that were re-submitted to you in 2015.”*

The Transportation-Additional Component testing was based on original R&D Transportation billing reports that UCPNB provided during fieldwork in July 2014, which in turn were used to bill NBRC. The transportation billing reports were compared to the route logs that were provided. In addition to the incorrect billings, there were some days that UCPNB billed for Live Vehicle Service Hours that had no supporting route logs to substantiate the billing.

However, there were Live Vehicle Service Hours that were not credited to UCPNB that should have been for the month of January 2014. DDS credited UCPNB 84.36 Live Vehicle Service Hours, which reduced the finding to \$1,675 for January 2014. (See Attachment B)

## **ATTACHMENT D – DDS’ EVALUATION OF UCPNB’S RESPONSE**

In addition, per the *NBRC POS Contract, FY 2012-13 through 2013-14: Attachment A: §6(d) Quality Assurance (i)* states: “Ensure ride times do not exceed sixty (60) minutes (unless waived by NBRC on a per route basis).” For the routes or cases where trips were billed in excess of two hours, there was no evidence of any waiver from NBRC to allow this being billed. (See Exhibit I, for contract language)

The revised transportation billing reports that were resubmitted via email to DDS auditors in 2015 had some “recalculated” discrepancies and are not accepted. (See Exhibit II, for sample route logs)

### **Finding 3: Adult Development Center – Unsupported Billings**

UCPNB’s is not contesting this Finding.

### **Finding 4: Behavior Analyst – Unsupported Billings**

UCPNB’s is not contesting this Finding.

### **DDS’ Conclusion:**

DDS evaluated UCPNB’s response to the draft audit report and did not accept the executive and administrators’ timesheets or the revised R&D Transportation billing reports provided in 2015. However, DDS revised the amount of Finding 2 to \$8,286 to adjust for the Live Vehicle Service Hours that were not credited to UCPNB for the month of January 2014 in the draft audit report. Thus, UCPNB must reimburse DDS the total amount of \$30,689.

## **EXHIBITS I & II**

### **UNITED CEREBRAL PALSY OF THE NORTH BAY**

**To request a copy of the exhibits for this audit report, please contact the DDS Audit Section at (916) 654-3695.**