

DEPARTMENT OF DEVELOPMENTAL SERVICES'
AUDIT OF
AVEN CARE PROVIDERS

Program:

Personal Assistance (PA) – PL1010

Audit Period: July 1, 2021, through June 30, 2022

Audit Section

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AVEN CARE PROVIDERS

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EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited Aven Care Providers (ACP). The audit was performed upon the Personal Assistance (PA) for the period of July 1, 2021, through June 30, 2022.

The audit disclosed the following issues of non-compliance:

Finding 1: Personal Assistance – Unsupported Billings

The review of ACP's PA program, Vendor Number PL1010, revealed that ACP had a total of \$32,748 of unsupported billings to Frank D. Lanterman Regional Center (FDLRC), Kern Regional Center (KRC) and North Los Angeles County Regional Center (NLACRC).

Finding 2: Personal Assistance – Overbillings

The review of ACP's PA program, Vendor Number PL1010, revealed that ACP had a total of \$8,411 of overbillings to FDLRC and NLACRC.

The total of the findings identified in this audit amounts to \$41,159, 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 ACP's program was 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 ACP for the period of July 1, 2021, through June 30, 2022.

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 ACP, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of ACP'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 ACP 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 four regional centers that utilized ACP's services during the audit period. DDS audited services provided to Frank D. Lanterman Regional Center (FDLRC), Inland Regional Center (IRC), Kern Regional Center (KRC) and North Los Angeles County Regional Center (NLACRC). These four regional centers were chosen due to the large volume of services utilized by the centers as measured by purchase of service (POS) expenditures.

ACP provided three different types of services, of which DDS audited one. Services chosen were based on the amount of POS expenditures invoiced by ACP. 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, ACP operated one PA program. The audit included the review of one PA program, Vendor Numbers PL1010, SC 062 and testing was done for the sampled months of October 2021 and November 2021.

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.
- Emailed the 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, ACP had findings of non-compliance with the requirements of CCR, Title 17.

VIEWS OF RESPONSIBLE OFFICIALS

DDS issued a draft audit report on December 14, 2022. The findings in the report were discussed at an exit Zoom conference with ACP on December 16, 2022. Subsequent to the exit conference, on December 16, 2022, ACP responded via email stating that ACP agreed with the findings.

RESTRICTED USE

This report is solely for the information and use of DDS, Department of Health Care Services, FDLRC, IRC, KRC, NLACRC and ACP. 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 ACP's PA program, Vendor Number PL1010, for the sampled months of October 2021 and November 2021, revealed that ACP had unsupported billings for services billed to FDLRC, KRC, and NLACRC. Unsupported billings occurred due to a lack of appropriate documentation to support the units of service billed to FDLRC, KRC, NLACRC, and non-compliance with the CCR, Title 17.

DDS reviewed the direct care service hours documented on the weekly communication progress log and timesheets and compared those hours to the direct care service hours billed to FDLRC, KRC, and NLACRC. DDS noted that the direct care service hours documented on the weekly communication progress log and timesheets were 1,505 hours less than the direct care service hours billed to FDLRC, KRC, and NLACRC. The lack of documentation resulted in unsupported billings to FDLRC, KRC, and NLACRC in the amount of \$32,748, 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:

ACP must reimburse to DDS \$32,748 for the unsupported billings. In addition, ACP should comply with the CCR, Title 17 as stated above to ensure that proper documentation is maintained to support the amounts billed to FDLRC, KRC, and NLACRC.

ACP's Response:

ACP stated in the response, dated December 16, 2022, that ACP agreed with the finding.

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

Finding 2: Personal Assistance – Overbillings

The review of ACP's PA program, Vendor Number PL1010 for the sampled months of October 2021 and November 2021, revealed that ACP had overbillings for services billed to FDLRC and NLACRC. Overbillings occurred due to billing for the same staff hours to multiple sibling consumers when a consumer was authorized on a 1:1 ratio. In particular, DDS noted that 504 direct care service hours were simultaneously provided to more than one consumer.

DDS reviewed the direct care service hours documented on the weekly communication progress log and time sheet and compared those hours to the direct care service hours billed to the FDLRC and NLACRC.

ACP overbilled the FDLRC and NLACRC for a total of 504 hours. This resulted in an overbilled amount of \$8,411 and 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:

ACP must reimburse to DDS \$8,411 for the overbillings. In addition, ACP should provide services in accordance with the FDLRC and NLACRC contract and authorization in order to ensure that hours are accurately billed to the FDLRC and NLACRC.

ACP's Response:

ACP stated in the response, dated December 16, 2022, that ACP agreed with the finding.

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

ATTACHMENTS A-B
AVEN CARE PROVIDERS

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

AVEN CARE PROVIDERS

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 ACP’S RESPONSE

DDS evaluated Aven Care Providers’ written response to the draft audit report, dated December 16, 2022, and determined that Aven Care Providers agreed with the findings.