

DEPARTMENT OF DEVELOPMENTAL SERVICES'
AUDIT OF
CREATIVE SOLUTIONS FOR AUTISM, INC.

Programs and Services:

Behavior Analyst – PM1172, PM1868, PX0543

Behavior Management Consultant – PW6285

Audit Period: July 1, 2014, through June 30, 2016

Audit Section

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CREATIVE SOLUTIONS FOR AUTISM, INC.

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EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited Creative Solutions for Autism, Inc. (CSA). The audit was performed upon the Behavior Analyst (BA) programs and Behavior Management Consultant (BMC) program, for the period of July 1, 2014, through June 30, 2016.

The audit disclosed the following issues of non-compliance:

Finding 1: Behavior Analyst – Unsupported Billings

The review of CSA's BA program, Vendor Numbers PM1172 and PM1868, revealed that CSA had a total of \$620,921 of unsupported billings to Eastern Los Angeles Regional Center (ELARC), Frank D. Lanterman Regional Center (FDLRC), Harbor Regional Center (HRC) and Regional Center of Orange County (RCOC).

Finding 2: Behavior Analyst – Lack of Requisite Qualifications by Staff

The review of CSA's BA program, Vendor Numbers PM1172 and PM1868, revealed that some staff who provided the services to consumers did not meet the required credentials for this program. The lack of requisite credentials resulted in overbillings in the amount of \$966,863 to RCOC.

Finding 3: Behavior Management Consultant– Unsupported Billings

The review of CSA's BMC program, Vendor Number PW6285, revealed that CSA had a total of \$1,564 of unsupported billings to Westside Regional Center (WRC).

The total of unsupported and overbillings identified in this audit amount to \$1,589,348, 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 CSA's BA programs and BMC program 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 CSA for the period of July 1, 2014, 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 CSA, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of CSA'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 CSA 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 eight regional centers that utilized CSA's services during the audit period. Of the eight regional centers, DDS audited services provided to the following six regional centers: ELARC, FDLRC, HRC, RCOC, South Central Los Angeles Regional Center (SCLARC), and WRC. These six regional centers were chosen due to the large volume of services utilized by the centers as measured by Purchase of Service (POS) expenditures.

CSA provided five types of services, of which DDS audited two. Services chosen by DDS were based on the amount of POS expenditures invoiced by CSA. 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, CSA operated four BA programs. The audit included the review of three of CSA's BA programs, PM1172, PM1868, PX0543, Service Code (SC) 612, and testing was done for the months of July 2014 and March 2015. However, the two sample months for Vendor Numbers PM1172 and PM1868 demonstrated a large amount of billing discrepancies. As a result, the testing was expanded to cover the entire fiscal years of July 1, 2014, through June 30, 2016.

Behavior Management Consultant

During the audit period, CSA operated one BMC program. The audit included a review of the BMC program, PW6285, SC 620, and testing was done for the sampled months of July 2014 and March 2015.

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 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 and Program Coordinators, for vendor background information and to gain understanding of the billing process.

CONCLUSION

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

VIEWS OF RESPONSIBLE OFFICIALS

DDS issued a draft audit report on March 15, 2022. The scheduled exit conference with CSA initially scheduled on March 31, 2022, was postponed, and was rescheduled several times. The last scheduled date of May 12, 2022, to discuss the draft report was postponed due to the unavailability of CSA's representatives. On May 18, 2022, DDS sent an email to CSA that DDS Vendor Audit concludes its effort to schedule a conference. Subsequently, DDS received CSA's response to the draft audit report via U.S. Mail and email on June 17, 2022. CSA disagrees with Findings 1, 2, and 3.

RESTRICTED USE

This report is solely for the information and use of DDS, Department of Health Care Services, ELARC, FDLRC, GGRC, HRC, IRC, RCOC, SCLARC, WRC, and CSA. This restriction is not intended to limit distribution of this report, which is a matter of public record.

FINDINGS AND RECOMMENDATIONS

Finding 1: Behavior Analyst – Unsupported Billings

The review of CSA's BA program, Vendor Numbers PM1172 and PM1868, for the audit period of July 2014 to June 2016, revealed that CSA had unsupported billings for services billed to ELARC, FDLRC, HRC, and RCOC. Unsupported billings occurred due to a lack of appropriate documentation to support the units of service billed to the regional centers and non-compliance with the CCR, Title 17.

DDS reviewed the direct care service hours documented on the DS 5862 forms/parental verification forms, behavior goal tracking forms, monthly summary forms, communications logs, session notes, and supervision notes, and compared those hours to the direct service hours billed to ELARC, FDLRC, HRC, and RCOC. DDS noted that the direct service hours on these documents were 9,403 hours less than the direct service hours billed to the regional centers. CSA was not able to provide appropriate supporting documentation for those 9,403 hours of services billed. The lack of documentation resulted in unsupported billings to regional centers in the amount of \$620,921, 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."

W&I Code Section 4686.31 states:

- (1) The department shall develop and post a standard form for vendors to complete and provide to the family for signature. The form shall include, but not be limited to, the name and title of the vendor, the vendor identification number, the name of the consumer, the unique client identifier, the location of the service, the date and start and end times of the service, and a description of the service provided. The form shall also include instructions for the parents or legally appointed guardians to contact the regional center service coordinator immediately if they are unable to sign the form.
- (2) The vendor shall provide the parents or legally appointed guardians of a minor consumer with the department form to sign. The form shall be signed and dated by the parents or legally appointed guardians of a minor consumer and be submitted to the vendor providing services within 30 days of the month in which the services were provided.
- (3) The vendor shall submit the completed forms to the regional center together with the vendor's invoices for the services provided."

Recommendation:

CSA must reimburse to DDS \$620,921 for the unsupported billings. In addition, CSA should comply with the W&I Codes and CCR, Title 17 as stated above to ensure that proper documentation is maintained to support the amounts billed to the regional centers.

CSA's Response:

CSA stated in its response, dated June 17, 2022, that CSA disagreed with Finding 1. See Attachment C for the full text of CSA's response to the draft audit report and Attachment D for DDS' evaluation of CSA's response.

Finding 2: Behavior Analyst – Lack of Requisite Qualifications by Staff

The review of CSA's group practice BA program, Vendor Numbers PM1172 and PM1868, for the audit period of July 1, 2014, to June 30, 2016, revealed that some of the staff who provided services to the consumers of RCOC did not meet the required credentials for such services. Service Code 612 is the designated service code for BAs. Services under the BA program must be provided by staff who are Board Certified Behavior Analysts (BCBA).

Based on the review of the DS 5862 forms and employees' credentials, DDS determined that of the 25,514 hours of service that were billed to the regional center, 654 hours were provided by staff with a BCBA and 24,860 hours were provided by staff with either a Master's degree, Bachelor's degree, Associate degree, High School Diploma or General Education Diploma. DDS allowed billings at the BCBA rate of \$75 (PM1172) or \$65 (PM1868) per hour for services that were provided to consumers by CSA's BCBAs. DDS lowered the rates for the 24,860 hours of service that were provided by staff who did not have the required credentials.

Overbillings of \$966,863 for 24,860 hours occurred when CSA billed RCOC for services that were provided by staff without BCBAs. CCR, Title 17 section 54342, subdivision (11) requires a BA to be certified as a BCBA by the national Behavior Analyst Certification Board. All persons providing services as a group practice must have the appropriate license, registration, and/or certificate. (Cal. Code of Regs., tit. 17, § 54319, subd. (f)(2).) Moreover, pursuant to CCR, Title 17 section 54319, subdivision (b), group practices which provide more than one service shall be vendored separately for each service. As such, staff without BCBAs need to be vendored under a service code that is not Service Code 612. For the audit period, the rate for services provided by staff without a BCBA was \$35 an hour for RCOC. DDS used this rate to calculate the billable amount for the hours that were provided by staff without a BCBA and determined that CSA overbilled RCOC by \$966,863. (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 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)(12) states:

“(a) All vendors shall:

- (12) Agree to accept the rate established, revised or adjusted by the Department as payment in full for all authorized services provided to consumers.”

CCR, Title 17, Section 54342(a)(11) states:

- “(a) The following service codes shall be assigned to the following types of services:
 - (11) Behavior Analyst - Service Code 612. Behavior Analyst....
A regional center shall classify a vendor as a Behavior Analyst if an individual is recognized by the national Behavior Analyst Certification Board as a Board Certified Behavior Analyst.”

CCR, Title 17, Section 54319(b) states:

- “(b) Group practices which provide more than one service shall be vendored separately for each service.”

CCR, Title 17, Section 54319(f)(2) states:

- “(f) Any group practice which is incorporated shall:
 - (2) Possess the appropriate license, certificate, and/or registration for all persons providing services as a group practice, if applicable”

Recommendation:

CSA must reimburse to DDS \$966,863 for the overbillings. In addition, CSA should develop and implement policies and procedures to ensure that only individuals recognized by the national Behavior Analyst Certification Board as a BCBA shall perform the functions of a BA.

CSA’s Response:

CSA stated in its response, dated June 17, 2022, that CSA disagreed with Finding 2. See Attachment C for the full text of CSA’s response to the draft audit report and Attachment D for DDS’ evaluation of CSA’s response.

Finding 3: Behavior Management Consultant – Unsupported Billings

The review of CSA’s BMC program, Vendor Number PW6285, for the sampled months of July 2014 and March 2015, revealed that CSA had unsupported billings for services billed to WRC. Unsupported billings occurred due to a lack of appropriate documentation to support the units of service billed to WRC and non-compliance with the CCR, Title 17.

DDS reviewed the direct care service hours documented on the DS 5862 forms/parental verification forms, behavior goal tracking forms, monthly summary forms, communications logs, session notes, and supervision notes

and compared those hours to the direct service hours billed to WRC. DDS noted that the direct service hours on these documents were 30 hours less than the direct service hours billed to WRC. CSA was not able to provide appropriate supporting documentation for 30 hours of services billed. The lack of documentation resulted in unsupported billings to WRC in the amount of \$1,564, 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:

CSA must reimburse to DDS \$1,564 for the unsupported billings. In addition, CSA should ensure that the number of direct care hours reported in the service records are consistent with the number of hours billed to WRC.

CSA’s Response:

CSA stated in their response, dated June 17, 2022, that CSA disagreed with Finding 3. See Attachment C for the full text of CSA’s response to the draft audit report and Attachment D for DDS’ evaluation of CSA’s response

ATTACHMENTS A-B

CREATIVE SOLUTIONS FOR AUTISM, 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

CREATIVE SOLUTIONS FOR AUTISM, 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 CSA’S RESPONSE

DDS evaluated CSA’s written response to the draft audit report and determined that CSA disagreed with Findings 1, 2 and 3 but did not provide additional documentation. Additionally, DDS will only address assertions pertinent to the facts of the audit findings. Below is a summary of CSA’s response as well as DDS’ evaluation of the vendor’s response.

CSA response:

“CSH was dismayed to find DDS permanently cancel the informal exit conference it offered to CSH when it initially provided the draft audit report. While CSH requested DDS to reschedule the conference due to an emergency, DDS chose not to honor the request, instead barring CSH from discussing the draft audit report with DDS.”

DDS response:

DDS disagrees with CSA’s statement above. CSA was given several opportunities to discuss the draft audit report at an exit conference to be held via ZOOM, however, CSA cancelled several scheduled exit conferences before it was to begin. Despite efforts to find a time that worked for CSA from March 3, 2022, to May 12, 2022, conflicts on CSA end made it difficult to schedule an exit conference. As such, DDS’ Vendors Audits team concluded its efforts to schedule an exit conference. Additionally, under California Code of Regulations, Title 17, an exit conference is not required.. Nevertheless, the information and types of findings discussed during the audit field work and subsequently, in the meeting held on March 14, 2017, is the same information disclosed in the draft audit report, with the exception of the amount of the audit findings. CSA did not miss information that was not already presented to the CEO and her legal counsel during the audit.

CSA response:

“DDS’ Draft Audit Report concluded in error that an overpayment of \$1,589,348 was made to CSH because “CCR, Title 17 requires a BA to be certified as a BCBA” and for “unsupported billings.”

DDS response:

DDS disagrees with CSA’s statement above. The audit findings are consistent with CCR, Title 17, 50604, requiring vendors to provide sufficient documentation to verify its services. The purpose of the audit was to verify that the service invoices submitted by CSA to regional centers for payment are supported by CSA’s service records and are following Title 17. Of the \$1,589,348 mentioned above, \$622,485 lack the documentation required to verify the services billed. Also, as stated in the final report, DDS determined that the overbillings of \$966,863 for 24,860 hours occurred when CSA billed RCOC for services

ATTACHMENT D – DDS’ EVALUATION OF CSA’S RESPONSE

that were provided by staff who did not meet the required education/credentials for such services. This issue will be discuss below in detail.

“...In addition to the errors in DDS’ Draft Audit Report, DDS misused the process of auditing CSH.”

CSA was informed of the audit process starting with the Pre-Audit/Entrance, update meetings, and other various correspondences during the audit. In the pre-audit/entrance conference, the audit process was explained, including the timeline for the report processing and approval, and the audit appeal procedures. In the Pre-Audit and Entrance meetings, the scope of the audit was discussed as well as the source documents that were required.

CSA response:

“DDS held an informal conference with CSH in 2017 and informed CSH that it was recommending closing the audit without action.”

DDS response:

DDS disagrees with CSA’s statement above. After the meeting on February 10, 2017, CSA counsel sent an email to DDS counsel in which CSA’s Executive Director was copied thanking the audit team. Specifically, CSA stated that “We had a good meeting this morning. Please thank the team for me. My current understating is that there are 3 issues that the team is still trying to resolve...” “Mr. Diallou told us that he would be meeting with Mr. Masui and then sending us a follow up letter as to DDS’ positions on these issues.” There was no recommendation of closing the audit without action. After the February 10, 2017, email, DDS communicated to CSA through its counsel that the initial review of CSA’ programs for the two-month sample selected from the audit period did not address the audit objective. As a result, the audit period was expanded for the Behavior Analyst program (PM1172, PM1868, PX0543) to include all billings for the period of July 1, 2014, through June 30, 2016.

CSA response:

“The findings in DDS’ draft audit report are erroneous for the reasons set forth below:”
“DDS’ Findings 1 and 3 are erroneous because CSH provided the appropriate and required documentation and related data and records to DDS that supports all CSH’s billings. Further, DDS failed to provide CSH with an opportunity to provide any missing records or source documentation that resulted in DDS’ Findings 1 and 3.”

ATTACHMENT D – DDS’ EVALUATION OF CSA’S RESPONSE

DDS response:

DDS disagrees with CSA’s statement above. During the audit, DDS requested all documentation that CSA deemed supported its billed services. CSA submitted documents such as: DS 5862 forms/parental verification forms, behavior goal tracking forms, monthly summary forms, communications logs, session notes, and supervision notes. The auditors reviewed all the documents submitted by CSA in determining whether CSA’s billings were properly supported. However, the hours identified in these documents were less than the hours billed to the regional centers. All the missing records or source documentation that resulted in DDS’ Findings 1 and 3 were communicated to CSA in person and/or through their counsel because CSA specifically requested that all communications go through their legal counsel. Therefore, in an email dated March 22, 2017, DDS provided CSA with a listing of all service records needed for the audit.

CSA response:

“Finding 1 and 3. Attachment A to DDS’ draft audit report purports to provide a summary of unsupported billings, however DDS never identified what records were missing or explained how it reached its conclusions regarding the “unsupported billings,” which contradicts the documentation provided by CSH.”

DDS response:

DDS disagrees with CSA’s statement. CSA was informed that the preliminary in-person review by DDS’ auditors involved detail testing of supporting documentation to verify the service hours billed by CSA. Audit procedures included an examination of the DS 5862 forms/parental verification forms, behavior goal tracking forms, monthly summary forms, communications logs, session notes, supervision notes, and other information provided by CSA, as well as a review of relevant files maintained by RCOC. The DDS audit revealed that the direct service billings/invoices submitted by CSA for its programs to RCOC and other regional centers for payment were not completely supported.

CSA response:

“DDS’ Finding 2 erroneously determined that “Services under the BA program must be provided by staff who are Board Certified Behavior Analysts (BCBA)” and lowered the rate for services provided by staff without a BCBA to \$35. This finding contradicts the clear and unambiguous language of several different regulations and the regulations as a whole.”

ATTACHMENT D – DDS’ EVALUATION OF CSA’S RESPONSE

“Further, DDS’ interpretation of 17 CCR Section 54342(a)(11) requires all vendors under service code 612 to solely employ BCABs. But DDS’ suggested interpretation directly conflicts with the plain language of that provision: service code 612 is the appropriate service if a single person within the group practice is a BCBA.

§ 54342(a)(11) (A “regional center shall classify a vendor as a Behavior Analyst if an individual is recognized [as a BCBA].”) (emphasis added). To require that CSH only vendor BCBA’s under service code 612 and exclude all non-BCBA assistants and therapist from service code 612 is to read into the regulations a requirement that all individuals be BCBA’s in direct conflict with the plain and unambiguous language of the regulation.”

DDS response:

CCR, Title 17, Section 54342(a)(11) requires that services under Service Code 612, Behavior Analyst, must be provided by a BCBA. Specifically, the preceding regulation states that a “Behavior Analyst means an ***individual*** who assesses the function of a behavior of a consumer...” (Emphasis added.) It refers to an individual, not a group of individuals. Said another way, an individual providing services under Service Code 612, whether in a group practice or not (there is no distinction under the regulations), must hold a BCBA. It does not mean that only one individual within the group practice must hold a BCBA, and others do not—this is a gross mischaracterization of the law. *This* is an unambiguous regulation. Further still, CCR, Title 17, Section 54319(b) states that “Group practices which provide more than one service shall be vendored separately for each service.” As such, if a service provider does not meet the qualifications under Service Code 612, then those service providers need to be vendored separately under a service code that meets their qualifications. For example, Behavior Management Assistant, Service Code 615, may be an appropriate service code for some of CSA’s service providers. Finally, any individual providing services within a group practice must possess the appropriate license, certification, and/or registration. (Cal. Code Regs. tit. 17, § 54319, subd. (c)(2) & (f)(2).) CSA’s Therapists and Senior Therapists do not hold the appropriate certifications to be billed under Service Code 612. CSA is therefore not in compliance with the regulations.

CSA response:

“CSH is a group practice and Title 17 only permits group practices to bill under service code 612.

ATTACHMENT D – DDS’ EVALUATION OF CSA’S RESPONSE

17 CCR S 54319 identifies services that apply to both individuals and group practices. Paragraph (5) of subdivision (a) identifies Service Code 612 as applying to both individual and group practices. Nowhere in Section 54319 is Service Code 615 identified as eligible for group practice.

DDS’ audit findings would require Service Code 615 be read into Section 54319. That is plainly not allowed.”

DDS response:

DDS disagrees with CSA’s statement. Creative Solution’s Program Design identified the various individuals which includes Therapist/Senior Therapist who would be providing the behavioral services, shows that it was a group practice. However, nothing in CCR, Title 17, Section 54319 indicates that the vendor identified as a group provider exclusively bills under Service Code 612.

While Section 54319 does not identify Service Code 615, Service Code 615 is used to bill for services provided by non-certified behavior management assistants as indicated in the Statewide Median Rate of 2011. There is nothing in the regulations that precludes CSA from vrending non-BCBA service providers under Service Code 615, if said services providers meet qualifications under Service Code 615. Indeed, CCR, Title 17, Section 54319(b) states that group practices which provide more than one service ***shall*** be vended separately for each service. (Emphasis added.) There is no choice in the matter; if a service provider does not meet qualifications under Service Code 612, then that service provider is required to be vended under a different service code. Based on the foregoing, the correct of \$35/hr. is used to bill for the Therapist/Senior Therapist who were identified by CSA.

CSA response:

“Additionally, DDS’s position on 612 Program billing is contradicted by DDS audits of other regional centers, and the way other regional centers have long conducted business. For example, the San Diego Regional Center (SDRC) only uses vendors under Service Code 612—it has zero 615 vendors. That being said, it relies on vendors organized in the same fashion as CSH. DDS has audited SDRC at least four times since 2005-06 and never raised concerns over the 612 programs. The same is true of other regional centers that offer both 612 and 615 programs. For example, DDS completed an audit of the Regional Center of Orange County (RCOC) as recently as 2019. Again, no concerns were raised about 612 versus 615 billing.”

ATTACHMENT D – DDS’ EVALUATION OF CSA’S RESPONSE

DDS response:

DDS disagrees with CSA’s statement. DDS conducts audits of the regional centers and vendors, and each audit is evaluated based on state and federal regulations. Furthermore, other audits are not at issue here. The current matter involves a DDS audit of CSA.

Conclusion:

DDS disagrees with CSA’s assertions for Findings 1, 2, and 3. During the audit, the auditors uncovered irregularities in CSA’s billings and records that were in violation of CCR, Title 17.

DDS has reviewed CSA’s response to the draft audit report and find that no new information or source documentation was provided to refute DDS’ audit findings. DDS made no adjustments to the draft audit report. DDS is requesting CSA to reimburse \$1,589,348 for the unsupported billings and lack of requisite qualifications by staff.