

DEPARTMENT OF DEVELOPMENTAL SERVICES'
AUDIT OF
CENTRAL VALLEY TRAINING CENTER, INC.

Programs and Services:

Behavior Management Program – H27941, HC0366, HC0663, HC0693,
HV0503, S29378, SV0009

Community Integration Training Program – HA1098

Crisis Team – Evaluation and Behavioral Intervention – HC1004, SV0023

Independent Living Program – HV0151

Supplemental Day Services Program Support – H27941, HA1098, HC0663, HC0693,
P75612, PV1542, PV1697

Supplemental Program Support (Other) – H27941, HC0366, HC0663, HC0693

Supported Living Service – S44533

Audit Period: July 1, 2018, through June 30, 2019

Audit Section

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CENTRAL VALLEY TRAINING CENTER, INC.

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EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited Central Valley Training Center, Inc. (CVTC). The audit was performed upon the Crisis Team - Evaluation and Behavioral Intervention (CTEBI), Community Integration Training Program (CITP), Supplemental Day Services Program Support (SDSPS), Supplemental Program Support (Other) (SPS), Behavior Management Program (BMP), Independent Living Program (ILP), and Supported Living Service (SLS) for the period of July 1, 2018, through June 30, 2019.

The audit disclosed the following issues of non-compliance:

Finding 1: Behavior Management Program and Supplemental Day Services Program Support – Unsupported Staffing Ratio

The review of CVTC's BMP and SDSPS programs, Vendor Numbers HV0503, S29378, SV0009, PV1697, PV1542, and P75612, revealed that CVTC did not meet its required direct care staffing hours. This resulted in a shortage of the required direct care staffing of 1,917 hours and overpayments of \$27,242 for services billed to Alta California Regional Center (ACRC), Central Valley Regional Center (CVRC), and Valley Mountain Regional Center (VMRC).

Finding 2: Crisis Team – Evaluation and Behavioral Intervention – Unsupported Billings

The review of CVTC's CTEBI programs, Vendor Numbers HC1004 and SV0023, revealed that CVTC had a total of \$6,121 of unsupported billings to CVRC.

Finding 3: Community Integration Training Program – Overbillings

In response to the draft audit report, CVTC's provided additional information to support the billings and therefore the finding was resolved. DDS will not pursue Finding 3 of this audit.

Finding 4: Supported Living Service – Unsupported Billings

In response to the draft audit report, CVTC's provided additional documentation to support the billings and therefore the finding was resolved. DDS will not pursue Finding 4 of this audit.

Finding 5: Supplemental Day Services Program Support – Unsupported Billings

In response to the draft audit report, CVTC's provided additional information to support the billings and therefore the finding was resolved. DDS will not pursue Finding 5 of this audit.

The total of the findings identified in this audit amounts to \$33,363, 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 CVTC's fiscal accountability requirement and its 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 CVTC for the period of July 1, 2018, through June 30, 2019.

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 CVTC, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of CVTC'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 CVTC 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 CVTC's services during the audit period. DDS audited services provided to ACRC, CVRC, and VMRC. 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.

CVTC provided 16 different types of services, of which DDS audited seven. Services chosen were based on the amount of POS expenditures invoiced by CVTC. 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 Management Program

During the audit period, CVTC operated seven BMPs. The audit included the review of seven of CVTC's BMPs, Vendor Numbers H27941, HC0366, HC0663, HC0693, HV0503, S29378, and SV0009, Service Code 515 and testing was done for the sampled months of March 2019 and April 2019.

Community Integration Training Program

During the audit period, CVTC operated two CITPs. The audit included the review of two of CVTC's CITPs, Vendor Numbers HA1098 and HA1100, Service Code 055 and testing was done for the sampled months of March 2019 and April 2019.

Crisis Team – Evaluation and Behavioral Intervention

During the audit period, CVTC operated two CTEBI programs. The audit included the review of two of CVTC's CTEBI programs, Vendor Numbers HC1004 and SV0023, Service Code 017 and testing was done for the sampled months of March 2019 and April 2019.

Independent Living Program

During the audit period, CVTC operated one ILP. The audit included the review of the one ILP, Vendor Number HV0151, Service Code 520 and testing was done for the sampled months of March 2019 and April 2019.

Supplemental Day Services Program Support

During the audit period, CVTC operated seven SDSPS programs. The audit included the review of seven of CVTC's SDSPS programs, Vendor Numbers H27941, HA1098, HC0663, HC0693, P75612, PV1542, and PV1697, Service Code 110 and testing was done for the sampled months of March 2019 and April 2019.

Supplemental Program Support (Other)

During the audit period, CVTC operated four SPS programs. The audit included the review of 4 of CVTC's SPS programs, Vendor Numbers H27941, HC0366, HC0663, and HC0693, Service Code 111 and testing was done for the sampled months of March 2019 and April 2019.

Supported Living Service

During the audit period, CVTC operated one SLS programs. The audit included the review of the one SLS program, Vendor Number S44533, Service Code 896 and testing was done for the sampled months of March 2019 and April 2019.

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 payroll records and trial balance to determine the vendor's costs.

CONCLUSION

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

VIEWS OF RESPONSIBLE OFFICIALS

DDS issued a draft audit report on December 23, 2022. The findings in the report were discussed at a Microsoft Teams exit conference with CVTC on January 4, 2023. Subsequent to the exit conference, on February 10, 2023, CVTC provided additional source documentation to support its billings to the regional centers. CVTC disagreed with the findings.

RESTRICTED USE

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

FINDINGS AND RECOMMENDATIONS

Finding 1: Behavior Management Program and Supplemental Day Service Program Support – Unsupported Staffing Ratio

The review of CVTC's BMP and SDSPS programs, Vendor Numbers HV0503, S29378, SV0009, PV1697, PV1542 and P75612, for the sampled months of March 2019 and April 2019, revealed that CVTC had overpayments of services billed to ACRC, CVRC, and VMRC. Overpayments occurred due to CVTC not meeting the approved staff-to-consumer ratios of 1:3 and 1:1 for the units of service billed to ACRC, CVRC, and VMRC.

DDS reviewed the direct care service hours documented on the Consumer Attendance records and employee attendance records and reconciled those hours to payroll records.

For the BMPs, Vendor Numbers HV0503, S29378 and SV0009, DDS found that the actual direct care service hours were 1,626 hours less than the required hours to meet the approved staff-to-consumer ratio of 1:3 for the hours billed to the regional centers. The total unsupported direct care staffing hours of 1,626 multiplied by the average salary of the staff for the BMPs for the sampled months, amounts to \$23,106, which is due back to DDS. (See Attachment A)

In addition, for the SDSPS program, Vendor Numbers PV1697, PV1542 and P75612, DDS found that the actual direct care service hours were 291 hours less than the actual hours required to meet the approved staff-to-consumer ratio of 1:1 for the hours billed to the regional centers. The total unsupported direct care staffing hours of 291 multiplied by the average salary of the staff for the SDSPS for the sampled months, amounts to \$4,136, which is due back to DDS. (See Attachment A)

Therefore, the unsupported direct care hours for the two programs totaled \$27,242.

CCR, Title 17, Section 56756 (a), (f), 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.

- (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:

CVTC must reimburse to DDS \$27,242 for the overpayment of services for the unsupported direct care staffing hours. In addition, CVTC should ensure that the approved staff-to-consumer ratio is met.

Vendor’s Response:

CVTC stated in the response, dated February 10, 2023, that CVTC, disagreed with the finding.

See Attachment D for the full text of CVTC’s response to the draft audit report and Attachment E for DDS’ evaluation of CVTC’s response.

Finding 2: Crisis Team – Evaluation and Behavioral Intervention – Unsupported Billings

The review of CVTC’s CTEBI programs, Vendor Numbers HC1004 and SV0023, for the sampled months of March 2019 and April 2019, revealed that CVTC had unsupported billings for services billed to CVRC. Unsupported billings occurred due to a lack of appropriate documentation to support the units of service billed to CVRC and non-compliance with the CCR, Title 17.

DDS reviewed the direct care service hours documented on the employee timesheets and compared those hours to the direct care service hours billed to CVRC. DDS noted that the direct care service hours on the timesheets, reconciled to payroll, were 137 hours less than the direct care service hours billed to CVRC. This occurred due to CVTC’s failure to provide appropriate supporting documentation for 137 hours of services billed. The lack of

documentation resulted in unsupported billings to CVRC and in the amount of \$6,121, 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:

CVTC must reimburse to DDS \$6,121 for the unsupported billings. In addition, CVTC should comply with the CCR, Title 17 as stated above to ensure that proper documentation is maintained to support the amounts billed CVRC.

Vendor’s Response:

CVTC stated in the response, dated February 10, 2023, that CVTC, disagreed with the finding.

See Attachment D for the full text of CVTC’s response to the draft audit report and Attachment E for DDS’ evaluation of CVTC’s response.

Finding 3: Community Integration Training Program – Overbillings

In response to DDS' draft audit report, CVTC provided additional information to support its billings to ACRC, which has resolved the finding.

Finding 4: Supported Living Service – Unsupported Billings

In response to DDS' draft audit report, CVTC provided additional documentation to support its billings to the regional centers, which has resolved the finding.

Finding 5: Supplemental Day Services Program Support – Unsupported Billings

In response to DDS' draft audit report, CVTC provided additional information to support its billings to the regional centers, which has resolved the finding.

ATTACHMENTS A - B

CENTRAL VALLEY TRAINING CENTER, 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

CENTRAL VALLEY TRAINING CENTER, 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 CVTC’S RESPONSE

DDS evaluated Central Valley Training Center, Inc.’s written response to the draft audit report and determined that CVTC disagreed with the findings. DDS will only address assertions pertinent to the facts of the audit findings. Below is a summary of the vendor’s response as well as the DDS’ evaluation of the vendor’s response.

Finding 1: Behavior Management Program and Supplemental Day Services Program Support – Unsupported Staffing Ratio

CVTC stated that the methodology utilized in computing the required hours *“is faulty because during this time CVTC was authorized to bill for a half or full daily rate only... Utilizing a 6-hour day calculates the maximum number of hours possible and inflates the total number of hours needed to maintain ratio.”*

DDS disagrees with CVTC’s assertions because DDS took into account the half days when it calculated the required staffing hours for the BMP. As an example, to compute required staffing hours for consumers who attended the day program for 2,279 full days and 27 half days, DDS first multiplied the 27 half days by 0.5 to convert them to days. DDS then added the 13.5 days to the 2,279 full days to get 2,292.5 days. DDS converted the days to hours by multiplying 2,292.5 days by six hours and got 13,755 hours. DDS then divided the 13,755 hours by the approved staffing ratio of 1:3 and got 4,585 required staffing hours.

DDS analyzed CVTC’s payroll and consumer records to determine if the staff-to-consumer ratios required by regulation, contract, or agreement were met by following the methodology specified in the CCR, Title 17.

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

“(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

ATTACHMENT D – DDS’ EVALUATION OF CVTC’S RESPONSE

- c. Compare the number of direct care staff hours actually provided during the approved program hours for each month with the number of direct care staff hours required for each month computed pursuant to b.”

DDS’ methodology in determining the underprovided hours is in line with CCR Title 17. Therefore, CVTC must still reimburse DDS \$27,242. (See Attachment A)

Finding 2: Crisis Team – Evaluation and Behavioral Intervention – Unsupported Billings:

CVTC stated, “*In 2020 and 2021, CVTC conducted a large audit on billing hours vs timesheets. As a result, some of the billing hours on the report were already repaid to the Regional Center.*” CVTC provided documentation on a payment of \$31,169.89 it made to CVRC to prove this. Also, CVTC provided documentation to substantiate some of its billings to CVTC.

DDS does not agree with the claim that CVTC had paid back to CVRC some of the unsupported billings identified in the draft audit report for the sample months. DDS compared the consumers’ details per CVTC regarding the payment of \$31,169.89 to records obtained from CVRC to determine if the information matched. DDS found that the consumers and months of service reflected in CVTC’s and CVRC’s records were different. Based on this comparison, CVTC did not clear the unsupported billings identified in the draft audit report. Therefore, CVTC must still reimburse DDS for the unsupported billings for the affected consumers.

DDS reviewed the other additional documents that CVTC submitted to support some of its billings to the regional centers for the two sample months. This resulted in the reduction of the unsupported hours from 172 to 137 and the finding amount from \$7,669 to \$6,121, which is due to back to DDS. (See Attachment B)

Finding 3: Community Integration Training Program – Overbillings

DDS reviewed the additional documents provided with the response to the draft audit report and determined that CVTC’s billings were adequately supported. DDS made adjustments to the audit report to reflect the additional documentation received. As a result, the amount of this finding was reduced from \$814 to \$0. Therefore, this issue is considered resolved and it will be disclosed as such in the final audit report.

ATTACHMENT D – DDS’ EVALUATION OF CVTC’S RESPONSE

Finding 4: Supported Living Service – Unsupported Billings

DDS reviewed the additional documents provided with the response to the draft audit report and determined that CVTC’s billings were adequately supported. DDS made adjustments to the audit report to reflect the additional documentation received. As a result, the amount of this finding was reduced from \$685 to \$0. Therefore, this issue is considered resolved and it will be disclosed as such in the final audit report.

Finding 5: Supplemental Day Services Program Support – Unsupported Billings

DDS reviewed the additional documents provided with the response to the draft audit report and determined that CVTC’s billings were adequately supported. DDS made adjustments to the audit report to reflect the additional documentation received. As a result, the amount of this finding was reduced from \$599 to \$0. Therefore, this issue is considered resolved and it will be disclosed as such in the final audit report.

Conclusion:

DDS made adjustments to Findings 2, 4 and 5 to reflect the additional documentation received. As a result, the total amount of the findings was reduced from \$37,009 to \$33,363 for March 2019 and April 2019.