

DEPARTMENT OF DEVELOPMENTAL SERVICES'
AUDIT OF
EAST COUNTY RESPITE-HOME CARE INC.

Services:

In-Home Respite Services Agency – H50149

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

Audit Section

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EAST COUNTY RESPITE-HOME CARE INC.

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EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited East County Respite-Home Care Inc. (ECRHC). The audit was performed upon the In-Home Respite Services Agency (IHRSA) for the period of July 1, 2019, through June 30, 2020.

The audit disclosed the following issue of non-compliance:

Finding 1: In-Home Respite Services Agency – Unsupported Billings

The review of ECRHC's IHRSA program, Vendor Number H50149, revealed that ECRHC had a total of \$912 of unsupported billings to San Diego Regional Center (SDRC).

The total of the finding identified in this audit amounts to \$912, which is due back to DDS. A detailed discussion of this finding is contained in the Finding and Recommendation 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 ECRHC '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 ECRHC for the period of July 1, 2019 through June 30, 2020.

Scope

The audit was conducted in accordance with the Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States. The auditors did not review the financial statements of ECRHC, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of ECRHC'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 ECRHC 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 service provided to SDRC that utilized ECRHC's services during the audit period. ECRHC provided one type of service, which DDS audited. By analyzing the information received from 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.

In-Home Respite Services Agency

During the audit period, ECRHC operated one IHRSA program. The audit included the review of ECRHC's IHRSA program, Vendor Number H50149, SC 862 and testing was done for the sampled months of January 2020 and April 2020.

Methodology

The following methodology was used by DDS to ensure the audit objectives were met. The methodology was designed to obtain a reasonable assurance that the evidence provided was sufficient and appropriate to support the finding and conclusion 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.
- Analyzed the vendor's payroll and attendance/service records to determine if the appropriate level of staffing was provided.

CONCLUSION

Based upon items identified in the Finding and Recommendation section, ECRHC had a finding of non-compliance with the requirements of CCR, Title 17.

VIEWS OF RESPONSIBLE OFFICIALS

DDS issued a draft audit report on September 21, 2023. The finding in the report was discussed at an exit conference via Zoom with ECRHC on September 22, 2023. Subsequent to the exit conference, on October 10, 2023, ECRHC submitted a response via email agreeing with the finding.

RESTRICTED USE

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

FINDING AND RECOMMENDATION

Finding 1: Name of Program – Unsupported Billings

The review of ECRHC's IHRSA program, Vendor Number H50149, for the sampled months of January 2020 and April 2020, revealed that ECRHC had unsupported billings for services billed to SDRC. Unsupported billings occurred due to a lack of appropriate documentation to support the units of service billed to SDRC and non-compliance with the CCR, Title 17.

DDS reviewed the direct care service hours documented on the Respite Notes and payroll records and compared those hours to the direct care service hours billed to SDRC. DDS noted that the direct care service hours on the Respite Notes and payroll records were 29 hours less than the direct care service hours billed to SDRC. ECRHC was not able to provide appropriate supporting documentation for 29 hours of services billed. The lack of documentation resulted in unsupported billings to SDRC in the amount of \$912, 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:

ECRHC must reimburse to DDS \$912 for the unsupported billings. In addition, ECRHC should comply with the CCR, Title 17 as stated above to ensure that proper documentation is maintained to support the amounts billed to SDRC.

Vendor's Response:

ECRHC stated in the response dated October 10, 2023, that ECRHC agreed with the finding.

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

ATTACHMENT A

EAST COUNTY RESPITE – HOME CARE, INC.

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

ATTACHMENT B – VENDOR’S RESPONSE

EAST COUNTY RESPITE – HOME CARE, INC.

To request a copy of the vendor’s response to the audit finding, please contact the DDS Audit Section at (916) 654-3695.

ATTACHMENT C – DDS' EVALUATION OF ECRCH's RESPONSE

DDS evaluated ECRHC's written response to the draft audit report, dated October 10, 2023, and determined that ECRHC agreed with the finding.