

DEPARTMENT OF DEVELOPMENTAL SERVICES'
AUDIT OF
ABLELIGHT, INC.

Service:

Supported Living Services – PM1780

Audit Period: January 1, 2022, through December 31, 2022

Audit Section

Auditors:

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ABLELIGHT, INC.

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EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited AbleLight, Inc. (AbleLight). The audit was performed upon the Supported Living Services (SLS) for the period of January 1, 2022, through December 31, 2022.

The audit disclosed the following issue of non-compliance:

Finding 1: Supported Living Services – Unsupported Billings

The review of AbleLight's SLS program, Vendor Number PM1780, revealed that AbleLight had a total of \$2,528 of unsupported billings to Regional Center of Orange County (RCOC).

The total of the finding identified in this audit amounts to \$2,528, 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 AbleLight'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 AbleLight for the period of January 1, 2022, through December 31, 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 AbleLight, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of AbleLight'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 AbleLight 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 services provided to RCOC that utilized AbleLight's services during the audit period. AbleLight 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.

Supported Living Services

During the audit period, AbleLight operated two SLS programs. The audit included the review of one of AbleLight's SLS programs, Vendor Numbers PM1780, SC 896 and testing was done for the sampled months of November 2022 and December 2022.

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(s).
- 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 Coordinator, for vendor background information and to gain understanding of accounting procedures and financial reporting process.

CONCLUSION

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

VIEWS OF RESPONSIBLE OFFICIALS

DDS issued a draft audit report on Tuesday, January 9, 2024. The finding in the report was discussed at an exit conference with Ablelight on Tuesday, January 9, 2024. Subsequent to the exit conference, on Friday, January 12, 2024, Ablelight responded via email, and Ablelight agreed with the finding.

RESTRICTED USE

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

FINDING AND RECOMMENDATION

Finding 1: Supported Living Services – Unsupported Billings

The review of AbleLight’s SLS program, Vendor Number PM1780, for the sampled months of November 2022 and December 2022, revealed that AbleLight had unsupported billings for services billed to RCOC. Unsupported billings occurred due to a lack of appropriate documentation to support the units of service billed to RCOC and non-compliance with the CCR, Title 17.

DDS reviewed the direct care service hours documented on the Dayforce Staff Timesheets and compared those hours to the direct care service hours billed to RCOC. DDS noted that the direct care service hours on the Dayforce Staff Timesheets were 83.75 hours less than the direct care service hours billed to RCOC. AbleLight was not able to provide appropriate supporting documentation for 83.75 hours of services billed. The lack of documentation resulted in unsupported billings to RCOC in the amount of \$2,528 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:

AbleLight must reimburse to DDS \$2,528 for the unsupported billings. In addition, AbleLight should comply with the CCR, Title 17 as stated above to ensure that proper documentation is maintained to support the amounts billed to RCOC.

VENDOR'S Response:

Ablelight stated in the response, dated Friday, January 12, 2024, that Ablelight agreed with the finding.

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

ATTACHMENT A

ABLELIGHT, 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

ABLELIGHT, 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 ABLELIGHT'S RESPONSE

DDS evaluated Ablelight, Inc.'s (Ablelight) written response to the draft audit report, dated Friday, January 12, 2024, and determined that Ablelight agreed with the finding.