

**DEPARTMENT
OF
DEVELOPMENTAL SERVICES'
AUDIT
OF
TRI-VALLEY HOME HEALTH CARE, INC.**

Program:

Home Health Agency – HV0039

Audit Period: January 1, 2023, through December 31, 2023

Audit Section

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TRI-VALLEY HOME HEALTH CARE, INC.

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EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited Tri-Valley Home Health Care, Inc. (TVHHCI). The audit was performed upon the Home Health Agency (HHA) for the period of January 1, 2023, through December 31, 2023.

The audit disclosed the following issues of non-compliance:

Finding 1: Home Health Agency – Unsupported Billings

The review of TVHHCI's HHA program, Vendor Number HV0039, revealed that TVHHCI had a total of \$3,703 of unsupported billings to Valley Mountain Regional Center (VMRC).

The total of the finding identified in this audit amounts to \$3,703, 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 TVHHCI's program was compliant with the W&I Code, California Code of Regulations (CCR), Title 17, State laws and regulations and the regional centers' contracts with TVHHCI for the period of January 1, 2023, through December 31, 2023.

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 TVHHCI, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of TVHHCI'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 TVHHCI 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 VMRC that utilized TVHHCI's services during the audit period. TVHHCI 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.

Home Health Agency

During the audit period, TVHHCI operated one HHA program. The audit included the review of this program, Vendor Number HV0039 and testing was done for the sampled months of July 2023 and August 2023.

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 conclusions in relation to the audit objectives. The procedures performed included, but were not limited to, the following:

- Reviewed vendor files 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.

CONCLUSION

Based upon the audit procedures performed, DDS has determined that except for the items identified in the Finding and Recommendation section, TVHHCI was in compliance with applicable audit criteria.

VIEWS OF RESPONSIBLE OFFICIALS

DDS issued a draft audit report on September 18, 2024. The finding in the report was discussed at an exit conference via Zoom, with TVHHCI on September 25, 2024. Subsequent to the exit conference, TVHHCI provided a response and accepted the results of the audit without any contest.

RESTRICTED USE

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

FINDING AND RECOMMENDATION

Finding 1: Home Health Agency – Unsupported Billings

The review of TVHHCI's HHA program, Vendor Number HV0039, for the sampled months of July 2023 and August 2023, revealed that TVHHCI had unsupported billings for services billed to VMRC. Unsupported billings occurred due to insufficient payroll hours to support the hours of service billed to VMRC and resulting in non-compliance with the CCR, Title 17.

DDS reviewed the direct care payroll hours and compared those hours to the direct care service hours billed to VMRC. DDS noted that the direct care payroll hours documented in the payroll records were 50 hours less than the direct care service hours billed to VMRC. TVHHCI billed for 50 hours of service not supported by payroll records. The lack of documentation resulted in unsupported billings to VMRC in the amount of \$3,703, 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:

TVHCCI must reimburse to DDS \$3,703 for the unsupported billings. In addition, TVHHCI should comply with the CCR, Title 17 as stated above to ensure that proper documentation is maintained to support the amounts billed to VMRC.

Vendor's Response:

TVHHCI, stated in the response, dated September 25, 2024, that TVHHCI, agreed with the finding.

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

ATTACHMENT A

TRI-VALLEY HOME HEALTH 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

TRI-VALLEY HOME HEALTH 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 TVHHCI’S RESPONSE

DDS evaluated Tri-Valley Home Health Care, Inc’s (TVHHCI) written response to the draft audit report, dated September 25, 2024, and determined that TVHHCI agreed with the finding.