

AUDIT REPORT

DUTCHESS COUNTY OFFICE FOR THE AGING

LIMITED SCOPE REVIEW

HANDLING OF SELECTED 2014 INVOICES

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Background and Organization

The Dutchess County Office for the Aging Department (OFA) coordinates and provides community based services to the elderly community. Through the purchase of contracted services OFA offers comprehensive home care services to the elderly residents of Dutchess County as well as training and support to their family caregivers.

Audit Scope and Objective and Methodology

The audit was performed to review the processes and procedures used by the Office for the Aging for payment of invoices to vendors providing non-Medicaid home care services to the elderly and their family caregivers. A sample of 2014 invoices paid to several vendors for these services were examined. Information was derived from financial documentation, receipts, contract and state pricing as well as staff interviews.

Summary of Findings

- ❖ The department's documentation and records reviewed were generally in good order and readily available.
- ❖ The department's processes and procedures for payment of invoices generally demonstrated a good system of internal control and an adequate segregation of duties.

Detailed Findings

Home Care

The amended authorized budget amount for A.6772.50.4424 Programs for the Aging – Home Care was \$635,000.00. The amount expended was \$331,199.71 as of September 2014.

Procedure Review, General Accounting and Separation of Duties for payment of invoices:

In order to review and discuss OFA's invoice payments to various vendors providing home care services to the elderly community, it was necessary to gain a full understanding of the entire process and procedures performed by the OFA. The process begins with OFA's Intake Unit completing the required client/intake forms either by personally meeting with the client or via a phone conversation. A field assessment utilizing a NYS Comprehensive Assessment (COMPASS) form is completed to determine client needs, eligibility, as well as the program and appropriate services they require. This form is also completed when a client needs recertification. There are two levels of care available: PCA 1 – Home Making Services and PCA 2 – Personal Care Services, both of which are based upon the client's individual needs. There are two programs available and the subsequent qualification is based upon the financial information provided on the intake forms and client interviews. The "Expanded in Home Services for the Elderly Program" (EISEP) is a state program and has a cost share based upon a sliding scale that takes into account a client's income and housing cost. The second program is III-E, which is a federal program with no cost share, although clients are given the opportunity to make a voluntary and confidential contribution if they wish. The client's information is entered into the department's Case Management Software. The vendor providing the services to the client is determined by the availability at a given time. Often there is a waiting list for home care service.

The vendors schedule aides to visit the clients. The general procedure upon the completion of a visit is the aide completing a time slip detailing the date and duration of the visit. Some vendor time slips also include the detailed services provided. These slips are signed by the aide and the client or a related party. The vendor reviews and summarizes the information on the time sheets (ex. level of care, client name, date range of service and total number of hours) on a standardized contractor voucher created by OFA. The contractor voucher and copies of the time slips for a month are sent by the vendors to the OFA for processing by the Accounting Clerk.

Observation: *Two vendors have recently implemented a system whereby the visits are documented by the aides phoning in upon their arrival at a client's home and again when the shift ends. The aide also punches in certain codes which identify the services performed. A computerized summary for each client is submitted as documentation of the monthly visits they received. Should the information for a phone call be incomplete a hard copy of the time slip is sent to supplement the report.*

The Accounting Clerk reviews and reconciles the time slips with the contractor voucher and then enters an invoice in the County's financial management system for payment. The payment invoice and documentation is reviewed and approved in the financial management system by the Business Manager or Director.

A detailed Excel spreadsheet is maintained by the Accounting Clerk which tracks all information relating to a client and the home care services provided. The level of service, the vendor providing the care, the program a client is under, the number of visits approved for and received, the percentage of cost share if required, the amount due - are some of the details recorded and monitored on the spreadsheet to ensure the proper authorized services are in place for the clients. The Accounting Clerk bills the clients for their portion or responsibility of the cost which is determined by their financial assessment. When their payment is received the Accounting Clerk verifies and posts it to the client's account using the accounting software - Quick Books. The check information is also recorded in a ledger and copies of the checks are retained for OFA's records. The Accounting Clerk prepares the deposit for the bank which is verified by a Senior Program Assistant. The money is deposited into the bank and the monthly statements are later reconciled by the Dutchess County Finance Department and posted to the appropriate revenue line.

We reviewed contractor vouchers and numerous time slips submitted by the vendors for payment of services provided to OFA clients. The total dollar amount of the selected invoices reviewed was \$52,024.38. This amount represented 2,726.5 hours of home care service provided to 291 OFA clients.

Observations:

- The review of the pertinent information found no significant discrepancies.
- Rates for specific vendors are established by county bid and capped by the state set Medicaid rate. Occasionally, vendors may submit contract vouchers with rates for services established in their individual contracts before the state rates are made available. Of the 36 contract vouchers reviewed 2 instances of this were noted. The OFA staff explained that any necessary adjustments are made by reducing future payments to the vendor.

Emergency Services

Services are provided for Personal Emergency Response Systems (PERS) under EISEP and the Title III-E of Older Americans Act to OFA clients. The amended authorized budget amount for A6772.50.4635 Programs for the Aging - Emergency Services was \$63,429.00. The amount expended was \$47,350.00 as of September 2014.

Procedure Review, General Accounting and Separation of Duties for payment of invoices:

The process for this service is similar to that described above for the Home Care Services in that the Intake Unit completes required client/intake forms. Forms are then reviewed and evaluated to assess the client's needs. Once a client's eligibility and program for the appropriate services is determined, they are put on a waiting list. When state funding becomes available, the vendor is contacted to arrange an appointment for the Personal Emergency Response System (PERS) to be installed in the client's home. The vendor sends a monthly billing voucher for payment of services. A detailed listing of the clients, type of service (full or half month), unit numbers and amount due for each client for the specific time period, accompanies the billing voucher. The Accounting Clerk reviews and reconciles the detailed client list with the vendor's billing voucher and then enters an invoice on the County's financial management system for payment. The payment invoice and documentation is reviewed and approved on the financial management system by the Business Manager or Director.

A detailed Excel spreadsheet is maintained and monitored by the Accounting Clerk to ensure the proper authorized services are in place for the clients. It also tracks all information relating to the clients and the PERS services they are receiving. When a cost share is required the Accounting Clerk bills the clients for their portion or responsibility of the cost. As with the procedures for the Home Care services, when the payment from the client is received, the Accounting Clerk verifies and posts it to the client's account. The money is deposited into the bank and the monthly statements are later reconciled by the Dutchess County Finance Department and posted to the appropriate revenue line.

Observations:

- We reviewed the billing voucher and the summary of services for a specific time period submitted by the vendor for payment. The total dollar amount of the selected invoice reviewed was \$5,620.00. This amount represented Personal Emergency Response Systems and the service provided to 286 OFA clients. The review of the pertinent information found no significant discrepancies.

Caregiver Services – Contract Agencies

Per the vendor contracts, the services offered are to provide support, counseling and training to assist the family caregivers of the elderly under Title III-E of the Older Americans Act.

Procedure Review, General Accounting and Separation of Duties for payment of invoices:

The vendor sends a monthly contractor voucher for payment of services. The voucher contains a breakdown of the county portion for units of services provided to support and assist family caregivers. The services include telephone contacts, workshops and home visits with the family caregivers. The Accounting Clerk reviews the contractor voucher and enters an invoice on the County's financial management system for payment. The payment invoice is reviewed and approved in the financial management system by the Business Manager or Director.

St. Francis Home Care Service

The amended authorized budget amount for A.6772.50.4400.4450 Programs for the Aging - Contract Agencies/St. Francis Home Care Services was \$2,155.00. The amount expended was \$2,154.60 as of September 2014. The total dollar amount of the selected invoices reviewed was \$1,496.82. This amount represented Dutchess County's share of 152 telephone contacts, 13 home visits and 3 workshop services provided to caregivers for the months' of January through March 2014.

North Road LHCSA formerly St. Francis Home Care

This vendor replaced St. Francis Home Care when St. Francis Hospital ceased operations. In the case of these services, a line item with the agency's name is used. As a result, the amended authorized budget amount for A.6772.50.4400.4470 Programs for the Aging - Contract Agencies/North Road LHCSA was \$5,370.00 established. The amount expended was \$2,033.88 as of September 2014. This amount represented Dutchess County's share of 27 telephone contacts, 4 home visits and 1 workshop provided to caregivers for the month of July 2014.

Contractor vouchers attached monthly reports, questionnaires and pre-signup sheets for a workshop submitted by the vendor for payment of services was reviewed.

Observations:

- The review found a general lack of documentation to substantiate the breakdown of the charges being billed. *According to OFA the documentation provided for the above services is somewhat limited due to the confidentiality of the participating caregivers. In addition OFA advised that they do a periodic review of supplemental records and were working with the vendor to provide more substantial documentation.*