



agency for persons with disabilities
State of Florida

Rick Scott
Governor

■ ■
Barbara Palmer
Director

■ ■
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September 28, 2012

Barbara Palmer, Director
Agency for Persons with Disabilities
4030 Esplanade Way, Suite 380
Tallahassee, FL 32399-0950

Re: OIG# 120905-01. Status of Corrective Actions, Auditor General
Report No. 2012-120, Agency for Persons with Disabilities Individual and
Family Supports Program and Prior Audit Follow-Up


Dear Director Palmer:

In accordance with the provisions of Section 20.055(5)(h), Florida
Statutes, we asked the responsible managers for the current status of
each finding identified in the report.

The findings, recommendations, the manager's original response, and
the September 2012 status of corrective actions are attached. We have
reviewed these and believe the actions taken are acceptable.

Please contact me if you have any questions.

Sincerely,


Marvin Doyal, CPA
Inspector General

MD:cs
Enclosure

cc: JLAC@leg.state.fl.us

Current Status of the Corrective Action Plan for the Auditor General's
Audit of Individual and Family Supports Program and Prior Audit Follow-Up
(Report No. 2012-120)

Finding Number:	1
Finding:	The Agency's client eligibility determination processes needed improvement. We found instances in which the Agency did not correctly complete and document client eligibility determinations and instances in which the Agency provided IFS Program payments to ineligible clients.
Recommendation:	We recommend that the Agency re-evaluate the client Applications approved prior to 2006. We also recommend that redeterminations of Florida domicile be made on at least an annual basis.
APD Response:	The Agency concurs that applications should be re-evaluated on an annually. The Agency will provide training to all area staff involved in eligibility determinations to ensure procedures for documenting determinations are followed. Upon promulgation of the eligibility rule for determination of a developmental disability, the operating procedure, outlining the steps for eligibility determination, will be updated and re-issued.
Corrective Action Plan:	The APD Bureau of Programs will update training materials and develop new ones that will provide information about the importance of accurate documentation for eligibility determination including verification of Florida domicile on an annual basis. STATUS UPDATE: The eligibility rule became final on May 16, 2012. Training for area staff is scheduled for June 13, 2012 via telephone conference call. The trainers will stress the importance of verification of Florida domicile and residency requirements as a part of this training.
Estimated Corrective Action Due Date:	July 30, 2012
Sept 2012 Status:	Training for implementation of the Application and Eligibility Determination rule was provided to Area staff on June 13, 2012. Ongoing technical assistance regarding application and eligibility determination is provided by staff of the Community Services section on a regular and as needed basis. The operating procedure on Application and Eligibility Determination is currently in the revision process with a draft due on October 17, 2012. These revisions will address the need for verification of Florida domicile and residency requirements and the need for accurate documentation of eligibility.
APD Contact: Phone Number:	Terri McGarrity 414-7452

Current Status of the Corrective Action Plan for the Auditor General's
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Finding Number:	2
Finding:	The Agency did not always utilize Medicaid providers for IFS Program clients who were eligible for Medicaid Program services.
Recommendation:	We recommend that the Agency establish policies and procedures that more reasonably ensure that Medicaid services are used when available. We also recommend that when non-Medicaid providers are used for Medicaid eligible clients, documentation be prepared and retained to demonstrate the unavailability of Medicaid services.
APD Response:	The Agency concurs with this finding. The Agency will develop policy and training for Agency staff regarding the use of services available on the Medicaid State Plan and procedures for documentation when these services are not available through Medicaid State Plan.
Corrective Action Plan:	Since the audit time period, the Agency has worked with the Agency for Health Care Administration to provide training on accessing Medicaid State Plan services. APD will develop operating procedures on the use of IFS funds – a section of which will cover the use of IFS funds vs. MSP funds. The Agency will also provide continued technical to staff via monthly telephone conference calls with area offices.
Estimated Corrective Action Due Date:	September 1, 2012
Sept 2012 Status:	The agency has filed a notice of rule development for the use of IFS funds which will include accessing Medicaid state plan services for those individuals who are eligible for Medicaid. The rule development workshop is scheduled for October 23, 2012. In the interim, instructions for the 2012-13 IFS spending plan will include accessing state plan services for individuals who are Medicaid eligible. In addition, accessing state plan Medicaid services has been a specific topic on weekly area conference calls.
APD Contact: Phone Number:	Terri McGarrity 414-7452

Current Status of the Corrective Action Plan for the Auditor General's
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Finding Number:	3
Finding:	The Agency did not always timely terminate IFS Program payments for IFS clients after they had died. In addition, the Agency had not completely resolved instances in which the social security numbers of Agency clients matched those of individuals who were deceased, according to the official death records of the Office of Vital Statistics.
Recommendation:	We recommend that the Agency establish written policies and procedures that provide more guidance for staff regarding the steps to be taken, including those related to documentation, to resolve crossmatch errors. The procedures should include processes for informing the Office of Vital Statistics of potential death record errors. We also recommend the Agency recoup from providers payments made for deceased clients.
APD Response:	The Agency concurs with this finding. The Agency will establish policy and training to ensure clients identified by Vital Statistics are closed in the ABC system. The policy will address the process the Area staff will follow when the information provided by the Office of Vital Statistics appear to be in error.
Corrective Action Plan:	The Agency currently has an operating procedure that deals with closing cases to APD. It will be revised and updated and training materials made available make certain those individuals who are deceased and identified by Bureau of Vital Statistics are indeed closed to the ABC system. STATUS UPDATE: On May 21, 2012, the agency issued a memo requiring area Medical Case Managers to cross the BVS reports with area case managers on a monthly basis. These reports will be issued monthly and monitored by the Central Office. The updated operating procedure is in the process of revision.
Estimated Corrective Action Due Date:	June 30, 2012
Sept 2012 Status:	The Agency is continuing to distribute the BVS reports to Regional staff. It was decided that the case closure operating procedure would not be revised to include this issue as it is not relevant to BVS and IFS funds. We will continue to provide the reports on a regular basis.
APD Contact: Phone Number:	Lori Gephart 921-3786

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Finding Number:	4
Finding:	IFS Program expenditure transactions were not always correctly and properly recorded in the Agency's Allocations, Budget, and Contract Control (ABC) System and the Florida Accounting Information Resource (FLAIR) Subsystem.
Recommendation:	We recommend that the Agency recoup the overpayments from the three providers. In addition, in order to prevent errors in payments and coding, we recommend that the Agency enhance the level of supervisory monitoring of staff compliance with applicable Agency policies and procedures.
APD Response:	The Agency concurs with this finding. The Agency is taking steps to recoup the overpayments to the three providers. In addition, ABC tables will be updated to reflect inactive service codes which will prevent the incorrect object codes from being used in FLAIR.
Corrective Action Plan:	Recoupment from these three providers has been initiated. Technical assistance for the area will be completed to assure this error will not occur in the future. Update to the ABC tables has been made to prevent inactive service codes from being used. STATUS UPDATE: On August 21, 2012 the Agency recouped \$14,008.88 from one of the providers overpaid.
Estimated Corrective Action Due Date:	July 31, 2012
Sept 2012 Status:	The Agency is continuing its efforts to recoup the overpayments. The ABC tables have been and continue to be updated as needed.
APD Contact: Phone Number:	Millicent Donald (921-2576) for ABC table change Mac McCoy (414-8096) for area recoupment

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Finding Number:	5
Finding:	The Agency did not appear to utilize the most cost-effective service provider based on a client's Medicaid status. In addition, the Agency did not always complete an assessment of need for Agency clients.
Recommendation:	We recommend that the Agency consider completing a QSI for all Agency clients, including those who receive only IFS funded assistance. In addition, the Agency should take greater care in locating and utilizing Medicaid providers for HCBS Medicaid waiver clients, and when non-Medicaid service providers are utilized, documenting the circumstances justifying their use.
APD Response:	<p>Section 393.0661(3), Florida Statutes that was cited as criteria for Finding No. 5 does not apply to IFS funding but to services provided through the developmental disabilities waiver. However, the Agency does agree with the specific findings as they relate to IFS funding. The agency assessment, the Questionnaire for Situational Information (QSI), was developed and implemented in 2008 as a tool for assessing an individual's level of need for support in the areas of functional, behavioral and physical needs. The tool was administered to all 50,000 individuals on the Medicaid waiver and waitlist over a two year period.</p> <p>The purpose of the QSI is to assist in determining an individual's level of need for support in several areas including functional, behavioral and physical needs. The agency directed area staff to complete assessments on all individuals receiving waiver funded services however in some unique situations, for example individuals in jail or individuals who were placed in an intensive behavior program or psychiatric program, it was determined that the assessment could be postponed until the individual was released from jail or the situation had stabilized to the point that a valid assessment could be conducted.</p> <p>The agency has begun to conduct data runs to determine if there are individuals who have no QSI or an outdated QSI. When these runs are completed, the agency will provide the list of those with no QSI or an outdated QSI to area offices. In the future, the list will be provided to the area administrator to be used as a management tool for area assessors.</p> <p>There are situations in which an individual requires a</p>

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	<p>specific placement due to his or her unique needs. In some instances, that placement is available only from a non waiver provider and is intended to be short term. We will instruct area staff and waiver support coordinators to clearly document the needs and justification for using IFS funds to pay for the service.</p>
<p>Corrective Action Plan:</p>	<p>The Agency will distribute data runs to area office on a quarterly basis that will show individuals who have no QSI or who are in need of an updated QSI. As stated above, this data run will be sent to the area administrator as well as their supervisor. This issue of the need for updated or first time QSI will be discussed as a part of the monthly agency calls with waiver and general revenue staff.</p>
<p>Estimated Corrective Action Due Date:</p>	<p>Beginning May 1, 2012 Status Update: The Agency central office has begun distributing monthly data that shows individuals with no QSI and individuals who are in need of an updated QSI. These reports will be disseminated monthly and tracked via a spreadsheet for direct area entry.</p>
<p>Sept 2012 Status:</p>	<p>The QSI reports are now distributed on a weekly basis and are analyzed by numbers past due. To accommodate increased workload associated with implementing the iBudget waiver, a memo was issued on 8/3/12 prioritizing the completion of QSIs for individuals who are transitioning to iBudget.</p>
<p>APD Contact: Phone Number:</p>	<p>Terri McGarrity 414-7452</p>

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Finding Number:	6
Finding:	The Agency did not always timely follow-up with providers who were determined to be noncompliant with quality assurance review requests.
Recommendation:	We recommend that the Agency provide guidance to applicable Agency staff outlining the responsibilities for following up with and terminating or suspending noncompliant providers.
APD Response:	<p>The Agency concurs with this finding. A formal process has been developed to track and address non-compliant providers of Delmarva reviews. This process includes notification by Delmarva to the respective Area Administrators and Central Office Operations and Quality Assurance Units. The new process also includes Central Office retrieval of monthly reports of non-compliant providers and tracking to ensure follow up on each case.</p> <p>Additionally, the Central Office is pulling data for 2011 of all non-compliant providers from Delmarva and will address any case that has not been resolved to date.</p>
Corrective Action Plan:	The Agency has begun working with Delmarva to address non-compliant providers and will continue to track and notify area administrators and central office on a monthly basis. A plan to address non-compliant providers is being developed and will be implemented next fiscal year.
Estimated Corrective Action Due Date:	July 1, 2012
Sept 2012 Status:	<p>The Agency continues to pull information from the Delmarva system to identify providers non-compliant with Delmarva reviews and follows up with local Area offices to ensure appropriate follow up.</p> <p>For 2011, the Agency identified 27 enrolled active providers who were non-compliant with Delmarva Quality Assurance reviews. The following is a breakdown of the status of these providers:</p> <ul style="list-style-type: none"> • 2 – Terminated as providers by APD and by the Agency for Health Care Administration • 6- Terminated by APD as providers and have been submitted to the Agency for Health Care Administration pending finalization with the Medicaid Agency • 10 – Termination of providers are being processed internally

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	<ul style="list-style-type: none"> • 5- Providers were remediated • 1- Provider under review by the Agency for Health Care Administration, Medicaid Program Integrity and owes a sanction • 3- Providers under further review to determine appropriate remediation or termination <p>For the period of January through August 2012, the Agency identified 48 enrolled active providers who were non-compliant with Delmarva Quality Assurance reviews. The following is a breakdown of the status of these providers:</p> <ul style="list-style-type: none"> • 6- Terminated as providers by APD and by the Agency for Health Care Administration • 10 - Terminated by APD as providers and have been submitted to the Agency for Health Care Administration pending finalization with the Medicaid Agency • 16 - Termination of providers are being processed internally • 9- Providers were remediated • 7- Providers under further review to determine appropriate remediation or termination
<p>APD Contact: Phone Number:</p>	<p>Lorena Fulcher 488-5998</p>

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Finding Number:	7
Finding:	Due to the lack of fiscal controls, Consumer-Directed Care Plus (CDC+) Program funds were allowed to accumulate in consumers' accounts instead of being returned to the State.
Recommendation:	We recommend that the Agency take the steps necessary to ensure compliance with the requirements of Federal regulations governing CDC+ Program consumer accounts.
APD Response:	The Agency concurs with this finding. The Agency has begun analyzing consumer accounts for excess funds. The reinvestment of funds is a currently a manual process and requires staff analysis to ensure the proper methodology is implemented in identifying the excess funds. The Agency is currently working with AHCA to finalize the CDC+ Rule that would provide the authority to reinvest the excess funds.
Corrective Action Plan:	The Agency is currently working with the Agency for Health Care Administration on notice of rule development and subsequent steps to finalize the rule. Concurrently, the Agency is exploring strategies to begin recoupment of active consumers while rule development is proceeding. The Agency continues to reinvest funds of these individuals who have been disenrolled for over one year and will continue with this effort.
Estimated Corrective Action Due Date:	September 1, 2012, contingent upon final rule promulgation
Sept 2012 Status:	The rule is still pending. OFARR approved Notice of Change on 8/24/12 and AHCA submitted to FAW on 8/31 and will be published on 9/14/12. As of 8/30/2012, APD staff are performing analysis to identify active consumers and eligible funds to return to Medicaid.
APD Contact: Phone Number:	Liesl Ramos 921-3785

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Finding Number:	8
Finding:	Due to the lack of fiscal controls, CDC+ Program consumers were able to spend funds in excess of their monthly budgets, resulting in negative balances in their accounts.
Recommendation:	We recommend that the Agency continue efforts to implement changes to the payment processing system to address negative consumer account balances.
APD Response:	The Agency concurs with this finding. APD is currently implementing consumer corrective action plans for mismanagement of budget. To further enhance internal controls and financial integrity of the program, APD is designing a process to "pend" participant/consumer submitted claims if the consumer does not have sufficient funds in their account to allow payment.
Corrective Action Plan:	A letter will be sent to all CDC+ consumers and their active providers by the beginning of April. The letter will inform consumers and providers that claims will be suspended if there are insufficient funds to cover the claims.
Estimated Corrective Action Due Date:	May 31, 2012 STATUS UPDATE: Letter was sent to over 10,000 providers and individuals/families on April 9, 2012 with an effective date of the action was May 1, 2012. The letter provided notification of suspension of claims if there were insufficient fund to cover the claims
Sept 2012 Status:	Implemented internal control on May 2, 2012 payroll and have incorporated the "pend" solution with every bi-weekly payroll processing. <ul style="list-style-type: none"> • Reporting quarterly activity in 1915j report and to APD management after every payroll. • Cumulative Amount of All Pend Claims since Pend Implementation: \$1,143,716.13 • Claims details will be re-reported until the payment has been released. <p>APD Issue/Action has been satisfied as planned.</p>
APD Contact: Phone Number:	Susan Nipper 414-5070