

Audit Report

# Health and Safety of Medicaid Beneficiaries in the HHSC Home and Community-Based Services Program

---

Community Options, Inc.



**Inspector  
General**

Texas Health  
and Human Services

**August 26, 2021  
OIG Report No. AUD-21-026**



## HHS OIG

TEXAS HEALTH AND HUMAN  
SERVICES  
OFFICE OF  
INSPECTOR GENERAL

August 26, 2021

Audit Report

# HEALTH AND SAFETY OF MEDICAID BENEFICIARIES IN THE HHSC HOME AND COMMUNITY-BASED SERVICES PROGRAM

*Community Options, Inc.*

## WHY OIG CONDUCTED THIS AUDIT

The Texas Health and Human Services (HHS) Office of Inspector General Audit and Inspections Division (OIG Audit) conducted an audit of Community Options, Inc. (Community Options) in response to an audit report issued by the United States Department of Health and Human Services Office of Inspector General that identified oversight issues regarding the Texas Health and Human Services Commission's (HHSC's) Home and Community-Based Services (HCS) program. The objective of the audit was to evaluate whether Community Options provided Medicaid beneficiaries living in three- and four-person residences (homes) with safe and healthy living environments.

Community Options is an HCS program provider that operates 56 homes serving 194 Medicaid beneficiaries. In state fiscal year 2020, Community Options received \$10,854,468 to deliver supervised living and residential support services to Medicaid beneficiaries.

## WHAT OIG RECOMMENDS

Community Options should strengthen its controls to ensure that:

- The interior and exterior areas of homes comply with HHSC's health and safety requirements.
- Staff consistently complete medication records and correctly administer medications.
- Staff appropriately screen visitors for COVID-19 and comply with other infection control requirements.
- Each home has an on-site emergency plan.
- All staff have participated in a fire drill.
- Staff do not disarm fire alarm systems.

## MANAGEMENT RESPONSE

Community Options agreed with the audit recommendations and indicated corrective actions would be implemented by September 2021.

For more information, contact:

[OIGAuditReports@hhs.texas.gov](mailto:OIGAuditReports@hhs.texas.gov)

## WHAT OIG FOUND

Community Options, Inc. (Community Options) inconsistently complied with the Texas Health and Human Services Commission's (HHSC's) health and safety requirements during the Texas Health and Human Services (HHS) Office of Inspector General Audit and Inspections Division's (OIG Audit's) unannounced site visits to six three- and four-person residences (homes). One home fully complied with all applicable health and safety requirements. The five remaining homes fully complied with (a) requirements concerning abuse, neglect, and exploitation protocols and (b) various other categories on a home-by-home basis.

However, OIG Audit identified instances of noncompliance at five homes. Specifically:

- Four of six visited homes did not eliminate hazards from interior areas.
- Three of six visited homes did not eliminate hazards from outside areas.
- Three of six visited homes did not maintain accurate medication administration records.
- Two of six visited homes did not maintain verifiable evidence of medication administration.
- Four of six visited homes did not comply with HHSC's COVID-19 emergency rules for the Home and Community-Based Services (HCS) program.
- Three of six visited homes did not maintain adequate on-site emergency plans.
- Two of six visited homes were supervised by staff who had not participated in a fire drill.
- One of five visited homes with four beds did not have a fully operational fire alarm system.

OIG Audit found that Community Options may not effectively utilize its monitoring tools to identify and address issues.

## BACKGROUND

The HCS program enables Medicaid beneficiaries with intellectual and developmental disabilities to live in community-based settings and avoid institutionalization in intermediate care facilities. These community-based settings include homes managed by private HCS program providers. HHSC contracts with private HCS program providers, such as Community Options, to coordinate and monitor the delivery of individualized services and supports to Medicaid beneficiaries. Private HCS program providers must maintain a property interest in their homes, consistently comply with HHSC's certification standards, and utilize person-directed planning to enhance the health, well-being, and functional independence of the Medicaid beneficiaries within their care. The HCS program is available to Texans of any age not living in an institutional setting who meet HHSC's eligibility criteria.

# TABLE OF CONTENTS

<b>INTRODUCTION</b> .....	<b>1</b>
<b>AUDIT RESULTS</b> .....	<b>7</b>
<b>HOME MAINTENANCE AND SAFETY</b> .....	<b>9</b>
<i>Issue 1.1: Community Options Did Not Maintain             the Interior Areas of Some Homes</i> .....	9
Recommendation 1.1.....	11
<i>Issue 1.2: Community Options Did Not Maintain             the Outside Areas of Some Homes</i> .....	12
Recommendation 1.2.....	13
<b>MEDICATIONS</b> .....	<b>14</b>
<i>Issue 2: Community Options Staff Did Not             Consistently Comply with Medication             Administration and Documentation Requirements</i> .....	14
Recommendation 2.....	16
<b>INFECTION CONTROL</b> .....	<b>16</b>
<i>Issue 3: Community Options Staff Did Not Consistently             Comply with COVID-19 Emergency Rules</i> .....	17
Recommendation 3.....	18
<b>EMERGENCY EVACUATION PLANS AND FIRE SAFETY</b> .....	<b>19</b>
<i>Issue 4.1: Community Options Did Not Consistently Comply             with Emergency Evacuation Plan Requirements</i> .....	20
Recommendation 4.1 .....	21
<i>Issue 4.2: Community Options Did Not Have             a Fully Operational Fire Alarm System             in One Home with Four Beds</i> .....	23
Recommendation 4.2.....	23
<b>CONCLUSION</b> .....	<b>25</b>
<b>APPENDICES</b> .....	<b>27</b>
A: <i>Detailed Methodology</i> .....	27
B: <i>Breakdown of Results by Requirement</i> .....	28

*C: Photographs From OIG Audit’s Site Visits ..... 31*  
*D: HHSC Waiver Contract Areas Served by Community Options 35*  
*E: Abbreviations ..... 37*  
*F: Report Team and Distribution..... 38*  
*G: OIG Mission, Leadership, and Contact Information ..... 40*

## INTRODUCTION

The Texas Health and Human Services (HHS) Office of Inspector General Audit and Inspections Division (OIG Audit) conducted an audit of Community Options, Inc. (Community Options), a program provider contracted with the Texas Health and Human Services Commission (HHSC) to deliver home and community-based services to enrolled Medicaid beneficiaries through the Home and Community-Based Services (HCS) program.

OIG initiated this audit in response to an audit report issued by the United States Department of Health and Human Services Office of Inspector General that identified oversight issues with the HCS program.<sup>1</sup>

Unless otherwise described, any year referenced is the state fiscal year, which covers the period from September 1 through August 31.

### Background

The HCS program enables Medicaid beneficiaries with intellectual and developmental disabilities to live in community-based settings and avoid institutionalization in intermediate care facilities. These community-based settings include three- and four-person residences (homes) managed by private HCS program providers. HHSC contracts with private HCS program providers, such as Community Options, to coordinate and monitor the delivery of individualized services and supports to Medicaid beneficiaries. Private HCS program providers must maintain a property interest in their homes,<sup>2</sup> consistently comply with HHSC's certification standards, and utilize person-directed planning to enhance the health, well-being, and functional independence of the Medicaid beneficiaries within their care. The HCS program is available to Texans of any age not living in an institutional setting who meet HHSC's eligibility criteria.

Medicaid beneficiaries residing in homes receive around-the-clock residential assistance from staff employed by the managing HCS program provider. This residential assistance supports Medicaid beneficiaries to perform various essential tasks, including the activities of daily living, such as grooming, eating, bathing, dressing, and personal hygiene. Staff may also reinforce behavioral support or specialized therapy activities and assist individuals with their medications and other nursing-related tasks. Depending upon an individual's needs, the HCS program provider may coordinate the delivery of other services and supports, such as

---

<sup>1</sup> United States Department of Health and Human Services Office of Inspector General, *Texas Did Not Fully Comply with Federal and State Requirements for Reporting and Monitoring Critical Incidents Involving Medicaid Beneficiaries with Developmental Disabilities*, A-06-17-04003 (July 9, 2020).

<sup>2</sup> Private HCS program providers can only manage homes that they lease or own.

adaptive equipment, occupational and physical therapy, nursing, and prescribed medications.

Community Options is an HCS program provider that operates 56 homes across ten Texas counties: Bexar, Collin, Dallas, Denton, El Paso, Lubbock, Nueces, Potter, Randall, and Travis. These homes serve 194 Medicaid beneficiaries<sup>3</sup> and fall across six waiver contract areas.<sup>4</sup> Of the 56 homes managed by Community Options, 52 have a maximum occupancy of four persons, while 4 have a maximum occupancy of three persons. In 2020, Community Options received \$10,854,468.02 in reimbursed paid claims to deliver supervised living and residential support services to Medicaid beneficiaries. As of July 27, 2021, Community Options had received \$8,955,256.64 in reimbursed paid claims for supervised living and residential support services delivered between September 1, 2020, and June 4, 2021.<sup>5</sup>

Community Options reviews the condition of its homes using a weekly monitoring checklist, a monthly monitoring checklist, and an unannounced visit form. Of these monitoring tools, the weekly monitoring checklist is the most extensive because it encompasses all the review items included on the monthly monitoring checklist as well as additional review items related to documentation requirements. In contrast, the unannounced visit form contains significantly less prompts for reviewers.

## Objective and Scope

The objective of the audit was to evaluate whether Community Options provided Medicaid beneficiaries living in three- and four-person residences (homes) with safe and healthy living environments, as defined by the HHSC Waiver Survey and Certification Residential Checklist (HHSC Residential Checklist)<sup>6</sup> and the COVID-19 emergency rules for the HCS program.<sup>7</sup>

The scope of the audit covered the period from September 1, 2020, through the end of fieldwork in July 2021. The audit scope included unannounced site visits and a

---

<sup>3</sup> Community Options was operating 56 homes as of March 11, 2021, and 194 Medicaid beneficiaries resided within these homes as of February 11, 2021.

<sup>4</sup> The Texas Department of Aging and Disability Services (DADS) (now part of HHSC) grouped Texas counties into geographical areas known as local service areas. DADS further grouped these local service areas into waiver contract areas. Appendix D includes a map of the waiver contract areas served by Community Options.

<sup>5</sup> Due to the filing deadline of long-term care claims, claims submitted for services performed as far back as June 2020 are “live” and may be subject to change. Medicaid beneficiaries residing in three- and four-person residences typically receive around-the-clock care in the form of either supervised living or residential support services.

<sup>6</sup> Texas Health and Human Services Commission, Form 3609: Waiver Survey and Certification Residential Checklist (Nov. 2015).

<sup>7</sup> 40 Tex. Admin. Code §§ 9.198 and 9.199 (Apr. 23, 2021).

review of Community Options' internal control components, including testing of controls that were significant within the context of the audit objectives.

## Methodology

OIG Audit conducted fieldwork during the period from May 2021 through July 2021, including unannounced site visits at six homes managed by Community Options. Specifically, OIG Audit visited one home located in Austin, Texas; two homes located in Pflugerville, Texas; and three homes located in San Antonio, Texas, between May 12, 2021, and May 25, 2021. To select these homes, OIG Audit considered various risk-based factors, including the results of HHSC's most recent monitoring activities. During the site visits, OIG Audit utilized the HHSC Residential Checklist, which forms part of HHSC Waiver Survey and Certification's monitoring framework.<sup>8</sup> The HHSC Residential Checklist outlines 50 requirements across seven categories that are in place to ensure HCS program providers provide Medicaid beneficiaries with safe and healthy living environments. OIG Audit tested each home against the requirements on the HHSC Residential Checklist, as applicable.

---

<sup>8</sup> HHSC Waiver Survey and Certification is a unit within HHSC Regulatory Services that conducts annual certification reviews and unannounced site visits of homes in the HCS program.

Table 1 provides a consolidated overview of the requirements for homes on the HHSC Residential Checklist. Appendix B includes a full list of the 50 requirements on the HHSC Residential Checklist and the results for all six homes visited by OIG Audit.

**Table 1: Overview of the Requirements on the HHSC Residential Checklist**

Number of Requirements	General Topics Covered by the Requirements
<b>Emergency Evacuation Plans</b>	
12	<ul style="list-style-type: none"> <li>• Staff knowledge regarding emergency evacuation plans and fire drills, and associated documentation</li> <li>• Functionality and accessibility of smoke detectors and fire extinguishers</li> <li>• Accessibility of exit points, such as a window or door</li> <li>• Availability of emergency numbers</li> </ul>
<b>Four-Person Homes<sup>9</sup></b>	
3	<ul style="list-style-type: none"> <li>• Functionality of the fire alarm system and sprinklers</li> <li>• Documentation of current fire marshal inspection</li> </ul>
<b>Neighborhood and Home Exterior</b>	
7	<ul style="list-style-type: none"> <li>• Similarity to other homes in proximity</li> <li>• Proximity to community services</li> <li>• Condition of outside areas</li> <li>• Accessibility of walkways and entrances</li> </ul>
<b>Home Interior and Individuals</b>	
18	<ul style="list-style-type: none"> <li>• Availability and sufficiency of food</li> <li>• Availability and appropriateness of transportation</li> <li>• Appropriateness of home and water temperatures</li> <li>• Condition and cleanliness of walls, ceilings, floors, hallways, bathrooms, living spaces, furniture, and kitchen appliances</li> <li>• Presence of pests, odors, unvaccinated pets, and unsecured chemicals or other toxins</li> <li>• Presence and condition of the residents' required minor home modifications and adaptive equipment</li> </ul>
<b>Medications</b>	
4	<ul style="list-style-type: none"> <li>• Appropriateness of medication storage</li> <li>• Completeness and accuracy of medication administration records</li> <li>• Staff knowledge about each resident's medications</li> <li>• Staff assurance that they have received training from a nurse</li> </ul>
<b>Abuse and Neglect</b>	
4	<ul style="list-style-type: none"> <li>• Staff knowledge of abuse, neglect, and exploitation, including definitions, reporting requirements, and prevention methods</li> <li>• Presence of legal posting</li> </ul>
<b>Staff Training</b>	
2	<ul style="list-style-type: none"> <li>• Staff assurance that they have received needs-based training</li> <li>• Staff compliance with infection control policies<sup>10</sup></li> </ul>

Source: OIG Audit, based on the HHSC Residential Checklist

<sup>9</sup> In this report, this category is referred to as "fire safety requirements for homes with four beds."

<sup>10</sup> OIG Audit assessed Community Options' compliance with certain provisions of HHSC's COVID-19 emergency rules for the HCS program as part of this requirement.

OIG Audit shared any urgent health and safety risks with HHSC Waiver Survey and Certification while on site at the homes and later communicated all exceptions to Community Options in writing. OIG Audit also noted that some of the homes had general uncleanliness and disrepair; however, when these observations did not reach the level of noncompliance identified by the HHSC Residential Checklist, OIG Audit did not include them as issues in the report.

OIG Audit also reviewed Community Options' system of internal controls, including components of internal control,<sup>11</sup> within the context of the audit objectives. Details about the methodology are given in Appendix A.

OIG Audit presented preliminary audit results, issues, and recommendations to Community Options in a draft report dated August 6, 2021. Community Options agreed with the audit recommendations and indicated corrective actions would be implemented by September 2021. Community Options' management responses are included in the report following each recommendation.

## Criteria

OIG Audit used the following criteria to evaluate the information provided:

- 40 Tex. Admin. Code §§ 9.173 (2016), 9.174 (2016), 9.175 (2019), 9.177 (2020), 9.178 (2019), and 9.179 (2010)
- 40 Tex. Admin. Code §§ 9.198 and 9.199 (2021)<sup>12</sup>
- Texas Department of Mental Health and Mental Retardation (now part of HHSC), "Medicaid Provider Agreement for the Provision of HCS Program Services," Vendor #001007421 (2003)
- Texas Department of Aging and Disability Services (DADS) (now part of HHSC), "Community Services Contract (Provider Agreement)," Vendor #001009680 (2012)
- Texas Health and Human Services Commission, Form 3609: Waiver Survey and Certification Residential Checklist (2015)
- DADS (now part of HHSC), Regulatory Services, *Waiver Survey and Certification Manual*, Volume III: Residential Reviewer Manual (2014)

---

<sup>11</sup> For more information on the components of internal control, see the United States Government Accountability Office's *Standards for Internal Control in the Federal Government*, (Sept. 2014), <https://www.gao.gov/assets/gao-14-704g.pdf> (accessed Apr. 16, 2021).

<sup>12</sup> 40 Tex. Admin. Code §§ 9.189 and 9.199 were adopted as emergency rules in response to COVID-19. Emergency rules may be effective for not longer than 120 days and may be renewed for not longer than 60 days.

## **Auditing Standards**

### Generally Accepted Government Auditing Standards

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## AUDIT RESULTS

At the time of OIG Audit's six unannounced site visits, one home, referred to as Home E, fully complied with all applicable HHSC health and safety requirements across the seven categories. The remaining five homes, referred to as Homes A, B, C, D, and F, fully complied with requirements concerning abuse, neglect, and exploitation protocols. Additionally:

- Home A fully complied with requirements for (a) the home's interior, (b) the home's exterior, and (c) medications.
- Home B fully complied with requirements for (a) emergency evacuation plans and (b) fire safety for homes with four beds.
- Home C fully complied with requirements for emergency evacuation plans.
- Home D fully complied with requirements for (a) the home's exterior and (b) fire safety for homes with four beds.
- Home F fully complied with (a) requirements for medications, (b) select provisions of HHSC's COVID-19 emergency rules for the HCS program, and (c) requirements for fire safety for homes with four beds.

However, Community Options did not ensure that five of the six homes visited by OIG Audit consistently complied with all health and safety requirements. Specifically:

- Four of six visited homes did not eliminate hazards from interior areas.
- Three of six visited homes did not eliminate hazards from outside areas.
- Three of six visited homes did not maintain accurate medication administration records.
- Two of six visited homes did not maintain verifiable evidence of medication administration.
- Four of six visited homes did not comply with HHSC's COVID-19 emergency rules for the HCS program.
- Three of six visited homes did not maintain adequate on-site emergency plans.

- Two of six visited homes were supervised by staff who had not participated in a fire drill.
- One of five visited homes with four beds did not have a fully operational fire alarm system.

Photographs of some instances of compliance and noncompliance in visited homes are presented in Appendix C.

Table 2 provides an overview by home of the instances of noncompliance identified by OIG Audit during site visits. Within Table 2, an em dash ( — ) identifies requirements that were not applicable to an individual home.

**Table 2: Noncompliance with Requirements Identified During Site Visits**

Requirements	Homes					
	A	B	C	D	E	F
<b>Home Interior and Individuals</b>						
Is the home clean and free of odors?			No			No
Is the home free of bugs and other infestations? (Significant risk that must be addressed within 48 hours)			No			
Are the floors, walls, and ceilings in good repair?		No	No	No		
Is the bathroom in good repair?			No			
Is the home free of safety hazards?				No		
Are the kitchen appliances (e.g.: stove, refrigerator, dishwasher) clean and in working order?			No			No
<b>Neighborhood and Home Exterior</b>						
Is the outside area of the home in good condition (no safety hazards for falls; no toxins or fire dangers; no pest problems)?		No	No			No
Is the outside area free of garbage, trash, or excessive clutter?						No
<b>Medications</b>						
Are medication administration records available and completed accurately?		No	No	No		
<b>Staff Training</b>						
Have staff received training in infection control and do staff follow proper infection control policies and procedures during the residential review?	No	No	No	No		
<b>Emergency Evacuation Plans</b>						
Is an emergency plan available and appropriate to the location of the home?	No					No
Do emergency plans reflect the special needs of the individual(s) who live here?	No			No		No
Have the staff members participated in a fire drill?				No		No
<b>Four-Person Homes Only</b>						
Has the fire alarm system been checked annually, and does it appear to be in working order? (Significant risk that must be addressed within 48 hours)	—		No			
<b>Total Instances of Noncompliance</b>	<b>3</b>	<b>4</b>	<b>9</b>	<b>6</b>	<b>0</b>	<b>7</b>

Source: OIG Audit

The following sections of this report provide additional detail about the instances of noncompliance identified by OIG Audit. The results outlined in this report only reflect the condition of Community Options' homes at the time of OIG Audit's site visits. OIG Audit also communicated other, less significant findings to Community Options separately in writing.

## **HOME MAINTENANCE AND SAFETY**

HCS program providers must furnish Medicaid beneficiaries residing in homes with healthy, comfortable, and safe living environments to comply with HHSC's certification standards.<sup>13</sup>

### **Home Interior and Individuals**

HCS program providers must ensure that home interiors are clean, odorless, and free from pest infestations.<sup>14</sup> HCS program providers should also ensure that each home has intact floors, walls, and ceilings; functioning bathrooms and kitchen appliances; and no other safety hazards.<sup>15</sup>

---

### **Issue 1.1: Community Options Did Not Maintain the Interior Areas of Some Homes**

---

At the time of OIG Audit's unannounced site visits, all homes had the appropriate structural modifications to facilitate residents' use of key amenities, including ramps, shower bars, and toilet bars. Additionally, all homes had comfortable room and water temperatures, appropriately secured cleaning supplies, and accessible living areas free of excessive trash. Auditors also observed that all residents had clean and intact adaptive equipment; access to sufficient food and water supplies; and adequate available transportation. However, Community Options did not consistently provide the residents living in Homes B, C, D, and F with healthy, comfortable, and safe interior living environments. Homes A and E fully complied with all applicable requirements.

---

<sup>13</sup> 40 Tex. Admin. Code § 9.173(b)(26) (Mar. 20, 2016).

<sup>14</sup> Texas Health and Human Services Commission, Form 3609: Waiver Survey and Certification Residential Checklist, Items 27 and 28 (Nov. 2015).

<sup>15</sup> Texas Health and Human Services Commission, Form 3609: Waiver Survey and Certification Residential Checklist, Items 29, 31, 39, and 36 (Nov. 2015).

Table 3 provides an overview of the instances of noncompliance with requirements concerning home interiors and individuals' needs identified by OIG Audit during site visits.

**Table 3: Noncompliance with Requirements for Home Interiors and Individuals' Needs**

Requirements	Homes					
	A	B	C	D	E	F
<b>Home Interior and Individuals</b>						
Is the home clean and free of odors?			No			No
Is the home free of bugs and other infestations? (Significant risk that must be addressed within 48 hours)			No			
Are the floors, walls, and ceilings in good repair?		No	No	No		
Is the bathroom in good repair?			No			
Is the home free of safety hazards?				No		
Are the kitchen appliances (e.g.: stove, refrigerator, dishwasher) clean and in working order?			No			No
<b>Total Instances of Noncompliance</b>	<b>0</b>	<b>1</b>	<b>5</b>	<b>2</b>	<b>0</b>	<b>2</b>

*Source: OIG Audit*

OIG Audit observed compliance issues with the bathroom and living areas in Home B. The bathroom had mold on the walls and fixtures, and the living room had damage to the ceiling from unclean air vents.

OIG Audit observed compliance issues with the bathrooms, living areas, and kitchen in Home C. For example, the main bathroom had (a) substantial mold and (b) plumbing issues affecting both sinks and the shower. The second bathroom had slight mold, a poorly installed toilet, and a hanging light fixture with exposed wiring. In addition, Home C's kitchen had a damaged stovetop burner and an unclean oven. There were also unclean ceiling fans and air vents, holes in the walls, and dead bugs throughout Home C's living areas. Additionally, one resident of Home C communicated to auditors that Home C has a persistent roach problem.

OIG Audit observed compliance issues with the bedrooms and the kitchen in Home D. Community Options had not properly removed the broken outer pane from a resident's bedroom window, which left jagged edges of glass. Likewise, the inner pane in the kitchen window had detached from the frame and was falling inward. Auditors could not inspect one bedroom because a resident had locked the bedroom door before leaving Home D for the day, and the staff member did not have keys to unlock the door in case of an emergency.<sup>16</sup>

<sup>16</sup> 40 Tex. Admin. Code § 9.174(a)(23)(H)(ii) (Mar. 20, 2016).

OIG Audit observed compliance issues with the kitchen in Home F. For example, the kitchen had (a) a broken stovetop burner, microwave, and range hood and (b) an unclean oven. One resident of Home F communicated to auditors that, when in use, the oven produces a lot of smoke that does not properly disperse due to the broken range hood and has previously triggered the fire alarm system.

While Community Options conducted on-site visits at all six visited homes throughout May 2021, reviewers only utilized the detailed weekly monitoring checklist to inspect Homes B, C, and D. In contrast, reviewers utilized the unannounced visit form to assess Homes A, E, and F. Community Options' monitoring checklists require reviewers to assess whether each home is comfortable, clean, in good repair, and free from odors and pests, but the unannounced visit form only prompts reviewers to assess the general condition of the home as opposed to specific attributes. The various issues with the interiors of Homes B, C, D, and F indicate a risk that reviewers may not effectively utilize Community Options' monitoring tools to consistently identify noncompliance with health and safety requirements in each home's interior areas.

Photographs of some instances of noncompliance in visited homes are presented in Appendix C.

### **Recommendation 1.1**

Community Options should strengthen its controls to ensure compliance with HHSC's health and safety requirements for each home's interior areas.

### **Management Response**

#### Action Plan

*Community Options, Inc. will remediate all concerns found during the OIG audit. Issues with the internal systems for monitoring the interior of the homes have been identified and are being corrected to prevent similar situations from re-occurring. Additional training and resources will be provided to management and maintenance personnel for conducting home inspections.*

#### Responsible Manager

*Texas State Director*

#### Target Implementation Date

*While most of these issues have already been mitigated, we have listed 09/15/2021 as the completion date for all repairs and new checklist implementation date.*

## Neighborhood and Home Exterior

HCS program providers must eliminate risks, such as tripping hazards, toxins, fire dangers, pest infestations, garbage, trash, or excessive clutter, from the outside areas of homes.<sup>17</sup>

### Issue 1.2: Community Options Did Not Maintain the Outside Areas of Some Homes

At the time of OIG Audit’s unannounced site visits, all homes appeared similar to other residences in the neighborhood, were close to services, and had accessible entrances. Homes A, D, and E fully complied with all applicable requirements concerning the exterior living environment. However, Community Options did not consistently provide the residents living in Homes B, C, and F with healthy, comfortable, and safe exterior living environments.

Table 4 provides an overview of the instances of noncompliance with neighborhood and home exterior requirements identified by OIG Audit during site visits.

**Table 4: Noncompliance with Neighborhood and Home Exterior Requirements**

Requirements	Homes					
	A	B	C	D	E	F
<b>Neighborhood and Home Exterior</b>						
Is the outside area of the home in good condition (no safety hazards for falls; no toxins or fire dangers; no pest problems)?		No	No			No
Is the outside area free of garbage, trash, or excessive clutter?						No
<b>Total Instances of Noncompliance</b>	0	1	1	0	0	2

Source: OIG Audit

The outside area of Home B contained exposed wiring, partially buried extension cords, broken electrical outlets, and holes around the foundation of the house. At Home C, there were indications of water damage to a soffit of the roof’s eave; the patio’s wooden frame had splintered in places and showed signs of potential mold or water damage; and the backyard contained broken panes of glass. At Home F, there was accumulated debris in the gutters and substantial amounts of trash on the ground, including food waste and cigarette butts.

As highlighted in Issue 1.1, while Community Options conducted on-site visits at all six visited homes throughout May 2021, reviewers only utilized the detailed

<sup>17</sup> Texas Health and Human Services Commission, Form 3609: Waiver Survey and Certification Residential Checklist, Items 19 and 20 (Nov. 2015).

weekly monitoring checklist to inspect Homes B, C, and D. In contrast, reviewers utilized the unannounced visit form to assess Homes A, E, and F. Community Options' monitoring checklists require reviewers to assess the outside areas of each home, but the unannounced visit form only prompts reviewers to assess the general condition of the home as opposed to specific attributes. The various issues with the outside areas of Homes B, C, and F indicate a risk that reviewers may not effectively utilize Community Options' monitoring tools to consistently identify noncompliance with health and safety requirements in each home's outside areas.

Photographs of some instances of noncompliance in visited homes are presented in Appendix C.

### **Recommendation 1.2**

Community Options should strengthen its controls to ensure compliance with HHSC's health and safety requirements for each home's outside areas.

### **Management Response**

#### Action Plan

*Community Options, Inc. will remediate all concerns found during the OIG audit. Issues with the internal systems for monitoring the exterior of the homes have been identified and are being corrected to prevent similar situations from re-occurring. Additional training and resources will be provided to management and maintenance personnel for conducting home inspections.*

#### Responsible Manager

*Texas State Director*

#### Target Implementation Date

*While most of these issues have already been mitigated, we have listed 09/15/2021 as the completion date for all repairs and new checklist implementation date.*

## MEDICATIONS

HCS program providers must maintain accurate and verifiable medication administration records.<sup>18,19,20</sup> Staff must (a) maintain these records for any resident who requires assistance with their medications and (b) annotate the applicable record each time they administer a drug to a resident.<sup>21</sup> This requirement is an important health and safety measure because accurate and verifiable records enable staff to detect and resolve medication administration errors in a timely manner. OIG Audit tested this requirement by examining each resident's medication administration record for May 2021 to identify any discrepancies, such as incomplete or prefilled information. OIG Audit also attempted to assess the accuracy of residents' medication administration records by checking for verifiable evidence.<sup>22</sup>

### Community Options' Internal Requirements for Medications

Community Options requires staff to update an electronic record each time they administer medications to residents. Community Options nurses review these electronic records monthly to identify and address any errors.

---

### Issue 2: Community Options Staff Did Not Consistently Comply with Medication Administration and Documentation Requirements

---

At the time of OIG Audit's unannounced site visits, Community Options staff demonstrated sufficient knowledge of residents' medications, including side effects, dosage, and administration times. Staff also appropriately secured medications. However, Community Options did not ensure that:

- Staff in Homes B, C, and D consistently completed residents' medication administration records.
- Staff in Homes B and C correctly administered all medications to residents.
- Staff in Homes A, E, and F complied with all requirements concerning medications.

---

<sup>18</sup> Texas Health and Human Services Commission, Form 3609: Waiver Survey and Certification Residential Checklist, Item 42 (Nov. 2015).

<sup>19</sup> Texas Department of Aging and Disability Services (DADS) (now part of HHSC), Regulatory Services, Waiver Survey and Certification Manual, Volume III: Residential Reviewer Manual (May 5, 2014).

<sup>20</sup> Each resident's medication administration record should contain detailed information about their prescribed drugs.

<sup>21</sup> Texas Department of Aging and Disability Services (DADS) (now part of HHSC), Regulatory Services, *Waiver Survey and Certification Manual*, Volume III: Residential Reviewer Manual (May 5, 2014).

<sup>22</sup> Auditors only attempted this reconciliation for tablets packaged in bubble medication packets.

Table 5 provides an overview of the instances of noncompliance with medication requirements identified by OIG Audit during site visits.

**Table 5: Noncompliance with Medication Requirements**

Requirements	Homes					
	A	B	C	D	E	F
<b>Medications</b>						
Are medication administration records available and completed accurately?		No	No	No		

*Source: OIG Audit*

Staff in Homes B, C, and D inconsistently completed residents' medication administration records. In Home D, auditors found that staff on the previous shift had not updated the medication administration records for every resident, resulting in blank fields. However, despite these omissions, auditors confirmed by checking the bubble medication packets that staff in Home D had correctly administered medications to residents.<sup>23</sup> In Homes B and C, auditors found that staff had only sporadically updated some residents' online medication administration records for May 2021. Auditors similarly checked for verifiable evidence of medication administration in Homes B and C and found that staff did not correctly administer all medications to some residents in May 2021. Incorrect medication administration and documentation may confuse staff and increase the risk of further medication administration errors.

Community Options has a policy that outlines how to document the medication administration process; however, this document is outdated because it only provides guidance to staff about how to complete paper-based medication administration records and does not include any information about using the electronic record system. In addition, the policy states that nurses must evaluate residents' medication administration records monthly; therefore, there is a risk that Community Options may not identify significant issues regarding medication administration in a timely manner.

Community Options' weekly monitoring checklist requires reviewers to assess whether staff have completed residents' medication administration records. A Community Options' reviewer assessed Home C using this checklist one week before OIG Audit's site visit and did not identify any issues with residents' medication administration records. However, OIG Audit observed omissions dating back further than one week, which indicates that Community Options' weekly monitoring checklist does not function as intended. In addition, Community

<sup>23</sup> Home D maintained verifiable evidence of medication administration. The number of "popped" bubbles in each medication packet corresponded to the calendar date (i.e. auditors visited the home on May 19, 2021, and observed that staff had administered 19 pills from morning medication packets and 18 pills from night medication packets).

Options' weekly monitoring checklist does not require reviewers to test the accuracy of residents' medication administration records by checking the medication bubble packets for verifiable evidence.

## **Recommendation 2**

Community Options should strengthen its controls to ensure staff:

- Consistently complete residents' medication administration records
- Administer medications to residents according to physicians' orders

## **Management Response**

### Action Plan

*Direct Support Professionals and Program Managers will receive additional training on medication administration protocols and their responsibilities regarding oversight. Management staff will conduct frequent medication administration record checks and take appropriate actions to address any areas of non-compliance. Medication errors will be reviewed during quality assurance committee meetings to review and address concerns. Medication policies will be updated to reflect the current system of using electronic medication administration records.*

### Responsible Manager

*Texas State Director*

### Target Implementation Date

*September 15, 2021*

## **INFECTION CONTROL**

HCS program providers must develop, implement, and maintain policies and procedures regarding infection control.<sup>24</sup> Community Options must comply with these policies and procedures to safeguard residents against communicable diseases, such as COVID-19.

To reduce the risks associated with COVID-19, HHSC adopted emergency rules concerning service delivery and visitation that HCS program providers must

---

<sup>24</sup> 40 Tex. Admin. Code § 9.177(e) (May 10, 2020).

follow.<sup>25</sup> These rules, among other provisions, require HCS program providers to ensure that staff screen all visitors and other individuals before allowing entry to the home. Staff must keep a log documenting each visitor's name along with the date, time, and results of their screening. Staff must deny access to the home to visitors that:

- Have a fever, which is defined as a temperature of 100.4 degrees Fahrenheit or above.
- Show signs or symptoms of COVID-19, including chills, cough, shortness of breath or difficulty breathing, fatigue, muscle or body aches, headache, new loss of taste or smell, sore throat, congestion or runny nose, nausea or vomiting, diarrhea, or any other signs and symptoms identified by the United States Centers for Disease Control and Prevention (CDC).
- Have had contact in the last 14 days with someone who has a confirmed diagnosis of COVID-19 or who is ill with a respiratory illness, regardless of whether the person is fully vaccinated, unless the visitor is seeking entry to provide critical assistance.
- Have tested positive for COVID-19 in the last 10 days.

According to the emergency rules, HCS program providers must also (a) train staff on infection control policies initially and upon any updates; (b) educate staff in basic infection prevention methods, such as hand hygiene and cough etiquette; and (c) require staff to wear a mask or cloth face covering over both the nose and mouth.<sup>26</sup>

---

### **Issue 3: Community Options Staff Did Not Consistently Comply with COVID-19 Emergency Rules**

---

During OIG Audit's unannounced site visits, all Community Options' staff, where practicable, maintained physical distance from others; however, Community Options did not consistently comply with infection control requirements designed to safeguard the health and safety of residents. Only Homes E and F complied with all the requirements applicable at the time of OIG Audit's site visits.

---

<sup>25</sup> 40 Tex. Admin. Code § 9.198 (Apr. 23, 2021).

<sup>26</sup> 40 Tex. Admin. Code § 9.198(f)(5)(A) (Apr. 23, 2021) states that staff must wear a mask or cloth face covering over both the nose and mouth if providing care to an individual without COVID-19. If providing care to an individual with COVID-19, 40 Tex. Admin. Code § 9.198(f)(5)(B) (Apr. 23, 2021) requires staff to wear the appropriate personal protective equipment, as defined by the CDC. Due to the timing of visits, OIG Audit did not test Homes E and F against this requirement.

Table 6 provides an overview of the instances of noncompliance with staff training requirements for infection control identified by OIG Audit during site visits.

**Table 6: Noncompliance with Staff Training Requirements for Infection Control**

Requirements	Homes					
	A	B	C	D	E	F
<b>Staff Training</b>						
Have staff received training in infection control and do staff follow proper infection control policies and procedures during the residential review?	No	No	No	No		

Source: OIG Audit

Staff in Homes A and B appropriately wore masks and took auditors' temperatures before granting them entry into the homes; however, they did not ask auditors the remainder of the COVID-19 screening questions until halfway through the visit. Staff in both homes then appropriately documented auditors' responses to these questions in a log. A shift changeover occurred during OIG Audit's visit to Home B, but the newly arrived staff member did not wear a mask. Likewise, the staff member in Home C took auditors' temperatures and asked them COVID-19 screening questions but did not wear a mask or document auditors' answers in a log. Finally, the staff member in Home D appropriately wore a mask but did not take auditors' temperatures or ask any COVID-19 screening questions. These omissions increase the risk that staff will expose residents, colleagues, and others to COVID-19.

While Community Options provided staff with information on how to prevent and manage COVID-19, its monitoring checklists and unannounced visit form do not prompt reviewers to assess whether staff adequately comply with infection control policies and procedures.

### **Recommendation 3**

Community Options should strengthen its controls to ensure staff appropriately screen visitors for COVID-19 and comply with other infection control requirements, including current or future emergency rules adopted by HHSC.

### **Management Response**

#### **Action Plan**

*Community Options Inc, staff will be retrained on all COVID-19 related policies and procedures that have been developed to comply to COVID-19 Emergency Rules. The monitoring tool used by management staff while conducting site visits has been updated to include COVID-19 procedures. Additional on-site visits will be completed to verify staff's compliance with agency policies and procedures.*

Responsible Manager*Texas State Director*Target Implementation Date*While most of the staff at these homes have already been re-trained on COVID-19 procedures, we have listed 09/15/2021 as the completion date for all re-trainings.***EMERGENCY EVACUATION PLANS AND FIRE SAFETY**

HCS program providers must furnish Medicaid beneficiaries residing in homes with healthy, comfortable, and safe living environments to comply with HHSC's certification standards.<sup>27</sup>

**Emergency Evacuations Plans**

HCS program providers must develop an emergency plan for each home that provides guidance for staff about how to:

- Manage fires, tornadoes, terrorist attacks, and location-specific risks, such as floods and hurricanes.
- Assist and evacuate residents in a manner that considers their physical, emotional, and cognitive needs.<sup>28,29,30</sup>

To reduce the risks associated with COVID-19, HHSC adopted emergency rules that HCS program providers must follow to ensure the health and safety of Medicaid beneficiaries. These rules, among other provisions, require HCS program providers to ensure that each home's emergency plan includes:

- A plan for maintaining infection control procedures and supplies of personal protective equipment during an evacuation.
- A list of locations to evacuate (a) residents with confirmed or probable diagnoses of COVID-19 and (b) residents with negative or unknown diagnoses.
- A list of the supplies required to shelter-in-place, including personal protective equipment.<sup>31</sup>

<sup>27</sup> 40 Tex. Admin. Code § 9.173(b)(26) (Mar. 20, 2016).

<sup>28</sup> 40 Tex. Admin. Code §§ 9.178(d)(1)–(2) (Oct. 1, 2019).

<sup>29</sup> Texas Health and Human Services Commission, Form 3609: Waiver Survey and Certification Residential Checklist, Items 4 and 5 (Nov. 2015).

<sup>30</sup> Texas Department of Aging and Disability Services (DADS) (now part of HHSC), Regulatory Services, *Waiver Survey and Certification Manual*, Volume III: Residential Reviewer Manual (May 5, 2014).

<sup>31</sup> 40 Tex. Admin. Code §§ 9.198(g)(1)–(3) (Apr. 23, 2021).

In addition, HCS program providers must ensure that staff follow the procedures outlined in each home's emergency plan during drills and actual incidents;<sup>32</sup> therefore, HHSC requires all staff to participate in at least one fire drill to obtain the appropriate knowledge.<sup>33</sup>

#### **Issue 4.1: Community Options Did Not Consistently Comply with Emergency Evacuation Plan Requirements**

At the time of OIG Audit's unannounced site visits, all homes had:

- Adequate and accessible points of egress<sup>34</sup>
- Adequate and functioning smoke detectors and fire extinguishers
- Accessible emergency numbers

In addition, staff in all homes demonstrated sufficient knowledge of how to assist and evacuate residents in the event of an emergency. However, only Homes B, C, and E complied with all requirements concerning emergency plans. Community Options did not consistently ensure that the other homes had:

- An on-site emergency plan with location-specific references and information about how to safely assist and evacuate each resident
- Staff who had participated in at least one fire drill

Table 7 provides an overview of the instances of noncompliance with emergency evacuation plan requirements identified by OIG Audit during site visits.

**Table 7: Noncompliance with Emergency Evacuation Plan Requirements**

Requirements	Homes					
	A	B	C	D	E	F
<b>Emergency Evacuation Plans</b>						
Is an emergency plan available and appropriate to the location of the home?	No					No
Do emergency plans reflect the special needs of the individual(s) who live here?	No			No		No
Have the staff members participated in a fire drill?				No		No
<b>Total Instances of Noncompliance</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>3</b>

*Source: OIG Audit*

<sup>32</sup> 40 Tex. Admin. Code § 9.178(d)(3) (Oct. 1, 2019).

<sup>33</sup> Texas Health and Human Services Commission, Form 3609: Waiver Survey and Certification Residential Checklist, Item 6 (Nov. 2015).

<sup>34</sup> "Egress" refers to an exit point, such as a window or door.

## **Community Options Did Not Have Adequate Emergency Plans in Some Homes**

Home A's emergency plan consisted of a diagram annotated with evacuation routes. The plan did not describe how staff should (a) manage fires, tornadoes, terrorist attacks, and location-specific risks; (b) safely evacuate each resident in the event of an emergency; or (c) appropriately respond to COVID-19. In addition, while Home D's emergency plan contained most of the required information, it only described how to safely evacuate two of the four residents.

Staff in Home F could not provide an on-site emergency plan at the time of the unannounced site visit. Staff without access to an appropriate emergency plan may struggle to evacuate residents in a timely manner. While staff at all homes demonstrated sufficient knowledge of evacuation protocols during OIG Audit's site visits, the absence of an appropriate emergency plan may impact new employees and those covering shifts while other employees are on leave.

Community Options has a weekly monitoring checklist that requires staff to assess whether homes have a current emergency plan; however, this checklist does not describe what constitutes an appropriate emergency plan, which may reduce its effectiveness. Further, Community Options does not consistently assess all homes using the weekly monitoring checklist, which may hinder its ability to identify issues with emergency plans in a timely manner.

## **Community Options Did Not Ensure That All Staff Participated in Fire Drills**

Staff in Homes D and F stated that they had not participated in a fire drill since commencing work with Community Options two to three months prior. Staff who have not participated in fire drills may struggle to enact the emergency plan during an incident.

Community Options' monitoring checklists and unannounced visit form require reviewers to assess whether each home has conducted the required fire drills; however, these documents do not prompt reviewers to determine whether all staff have participated in a fire drill, which may reduce the effectiveness of each document.

### **Recommendation 4.1**

Community Options should strengthen its controls to ensure that:

- Each home has an on-site emergency plan that meets HHSC's criteria
- All staff have participated in a fire drill

**Management Response**

Action Plan

*A standardized system has been implemented to ensure consistent implementation of emergency plans developed for each home and resident. All staff will be trained on the specifics of each plan and where plans are in each home. New hire training process will be updated to include timely training of emergency plans to include conducting a fire drill during the employee’s orientation period.*

Responsible Manager

*Texas State Director*

Target Implementation Date

*While we have placed these binders in most homes, we have set 9/15/2021 as the completion date to have all binders in place and staff trained on their location.*

**Fire Safety for Homes with Four Beds**

HCS program providers must ensure that homes with four beds have a functioning fire alarm system that a fire marshal has inspected and approved within the past 12 months.<sup>35</sup> Five of the six homes visited by OIG Audit had four beds and must comply with this requirement.<sup>36</sup>

Table 8 provides an overview of the instances of noncompliance with fire safety requirements for homes with four beds identified by OIG Audit during site visits. Within the Table 8, an em dash ( — ) identifies requirements that were not applicable to an individual home.

**Table 8: Noncompliance with Fire Safety Requirements for Homes with Four Beds**

Requirements	Homes					
	A	B	C	D	E	F
<b>Four-Person Homes Only</b>						
Has the fire alarm system been checked annually, and does it appear to be in working order? (Significant risk that must be addressed within 48 hours)	—		No			

*Source: OIG Audit*

<sup>35</sup> Texas Health and Human Services Commission, Form 3609: Waiver Survey and Certification Residential Checklist, Item 13 (Nov. 2015).

<sup>36</sup> Home A has three beds and is not subject to this requirement.

---

## **Issue 4.2: Community Options Did Not Have a Fully Operational Fire Alarm System in One Home with Four Beds**

---

At the time of OIG Audit's unannounced site visits, all homes with four beds had undergone an appropriate fire marshal inspection and had unobstructed fire sprinklers;<sup>37</sup> however, Community Options did not ensure that the fire alarm system in Home C was fully operational.

In Home C, staff had disarmed part of the fire alarm system. Staff stated that residents often interfered with the fire alarm system, which sounded the alert signals; consequently, staff disarmed part of the fire alarm system to limit the noise disturbance. Without a fully functioning fire alarm system, staff may struggle to evacuate residents in a timely manner.

Community Options' monitoring checklists require reviewers to assess whether each applicable home has a functioning fire alarm system that a fire marshal has inspected and approved within the past 12 months. The lack of a fully operational fire alarm system in Home C indicates a risk that reviewers may not effectively utilize Community Options' monitoring tools to consistently identify noncompliance with health and safety requirements regarding fire safety for homes with four beds.

### **Recommendation 4.2**

Community Options should strengthen its controls to ensure that staff do not disarm the fire alarm system in homes with four beds.

### **Management Response**

#### Action Plan

*The emergency plan training that all staff receive will include that staff are prohibited from disarming an alarm system unless under the direction of the fire department or alarm company. Training and alarm instructions will include steps for staff to follow when there are issues with the alarm, including immediate notification to the on-call administrator. Site inspections conducted by management will verify that the alarm system is armed.*

#### Responsible Manager

*Texas State Director*

---

<sup>37</sup> Home D did not have fire sprinklers because the fire marshal did not deem them necessary for this particular home.

Target Implementation Date

*The fire monitoring company has already been out to evaluate all homes and will begin transferring services, and any needed repairs will be completed by 9/15/2021.*

## CONCLUSION

At the time of OIG Audit's unannounced site visits to the six homes, Community Options inconsistently complied with HHSC's health and safety requirements.

One home fully complied with all applicable HHSC health and safety requirements across the seven categories. The five remaining homes fully complied with (a) requirements concerning abuse, neglect, and exploitation protocols and (b) various other categories on a home-by-home basis.

However, OIG Audit identified instances of noncompliance at five homes. Specifically:

- Four of six visited homes did not eliminate hazards from interior areas.
- Three of six visited homes did not eliminate hazards from outside areas.
- Three of six visited homes did not maintain accurate medication administration records.
- Two of six visited homes did not maintain verifiable evidence of medication administration.
- Four of six visited homes did not comply with HHSC's COVID-19 emergency rules for the HCS program.
- Three of six visited homes did not maintain adequate on-site emergency plans.
- Two of six visited homes were supervised by staff who had not participated in a fire drill.
- One of five visited homes with four beds did not have a fully operational fire alarm system.

Photographs of some instances of compliance and noncompliance in visited homes are presented in Appendix C.

OIG Audit offered recommendations to Community Options, which, if implemented, will ensure:

- The interior and outside areas of its homes do not compromise the health and safety of residents.
- Staff consistently complete residents' medication administration records.
- Staff administer medications to residents according to physicians' orders.
- Staff appropriately screen visitors for COVID-19 and comply with other infection control requirements, including current or future emergency rules adopted by HHSC.
- Each home has an on-site emergency plan that meets HHSC's criteria.
- Staff have participated in a fire drill.
- Staff do not disarm the fire alarm system in homes with four beds.

OIG Audit thanks management and staff at Community Options for their cooperation and assistance during this audit.

---

## Appendix A: Detailed Methodology

---

OIG Audit shared any urgent health and safety risks with HHSC Waiver Survey and Certification while on site at the homes and later communicated all exceptions to Community Options in writing. OIG Audit then analyzed Community Options' internal controls in the context of these exceptions by:

- Interviewing Community Options staff with oversight responsibilities for maintenance, medication administration, and infection control related to COVID-19.
- Reviewing relevant documentation, such as policies, procedures, and training records.
- Performing selected tests of the relevant documentation.

### Sampling Methodology

OIG Audit conducted site visits at six homes managed by Community Options, including one home located in Austin, Texas; two homes located in Pflugerville, Texas; and three homes located in San Antonio, Texas. To select these homes, OIG Audit considered various risk-based factors, including the results of HHSC's most recent monitoring activities. Selecting these homes constituted the extent of OIG Audit's sampling methodology. Given the small sample size, OIG Audit cannot project its results to Community Options' other homes or community-based settings.

OIG Audit determined that the data used in this audit to support the sampling methodology was sufficiently reliable.

## Appendix B: Breakdown of Results by Requirement

Table B.1 lists the 50 health and safety requirements included on the HHSC Residential Checklist. Requirements designated by HHSC as significant risks necessitating immediate attention or as significant risks necessitating prompt attention within 48 hours are notated as applicable. Within the Table B.1, an em dash ( — ) identifies requirements that were not applicable to an individual home. The requirements in Table B.1 are presented in an order parallel to the HHSC Residential Checklist and may not match the order discussed in this report.

**Table B.1: Homes A Through F**

Item No.	Requirements	Homes					
		A	B	C	D	E	F
<b>Emergency Evacuation Plans</b>							
1	Are exit doors unobstructed and accessible to all individuals? (Significant risk that must be addressed within 48 hours)						
2	Do the individuals' bedrooms have two means of egress? (Significant risk that must be addressed within 48 hours)						
3	Are there two means of egress from the home?						
4	Is an emergency plan available and appropriate to the location of the home?	No					No
5	Do emergency plans reflect the special needs of the individual(s) who live here?	No			No		No
6	Have the staff members participated in a fire drill?				No		No
7	Can the staff explain the emergency plans for the residences (fire and other emergencies)?						
8	Do the staff know what assistance to provide the individual(s) in this home to respond to an emergency?						
9	Have fire drills been conducted as required during the past year?						
10	Are there adequate working smoke detectors installed? (Significant risk that must be addressed within 48 hours)						
11	Are there adequate, fully charged fire extinguishers accessible to the kitchen, utility room, and garage?						
12	Are emergency numbers readily available?						
<b>Four-Person Homes Only</b>							
13	Has the fire alarm system been checked annually, and does it appear to be in working order? (Significant risk that must be addressed within 48 hours)	—		No			
14	If the home has sprinklers, have they been checked annually and are they unobstructed?	—			—		

Item No.	Requirements	Homes					
		A	B	C	D	E	F
15	Does the four-person home have a current fire marshal inspection using NFPA 101 Life Safety Code or International Fire Code? (Significant risk that requires immediate attention)	—					
<b>Neighborhood and Home Exterior</b>							
16	Does the residence look similar to other residences in the neighborhood (does not stand out as a home in which persons receive services)?						
17	Is the location accessible to generic services in the community?						
18	Does the residence, neighborhood, and community meet the needs of the individuals and provide an environment that ensures the health, safety, comfort, and welfare of the individuals?						
19	Is the outside area of the home in good condition (no safety hazards for falls; no toxins or fire dangers; no pest problems)?		No	No			No
20	Is the outside area free of garbage, trash, or excessive clutter?						No
21	Are the walkways clear to the front door without trip hazards?						
22	If needed, is a ramp in place for access into the home?		—	—	—	—	
<b>Home Interior and Individuals</b>							
23	Is the home modified to meet the needs of the individuals (e.g.: ramps, widened doors, grab bars)? (Significant risk that must be addressed within 48 hours)		—	—			
24	Is all adaptive equipment in good repair (e.g.: shower chairs, lifts)? (Significant risk that must be addressed within 48 hours)		—	—	—	—	
25	Is the living environment comfortable (e.g.: physical arrangement and space per person sufficient for movement in home, adequate bathrooms)?						
26	Are furnishings adequate and in good repair (e.g.: no rips, stains, or broken pieces)?						
27	Is the home clean and free of odors?			No			No
28	Is the home free of bugs and other infestations? (Significant risk that must be addressed within 48 hours)			No			
29	Are the floors, walls, and ceilings in good repair?		No	No	No		
30	Is the temperature of the home comfortable for the individual(s)? (Significant risk that must be addressed within 48 hours)						
31	Is the bathroom in good repair?			No			
32	Does the home have enough food for the individual(s)? (Significant risk that requires immediate attention)						
33	Is a vehicle available for the home to use and does it meet the transportation needs of the individuals (e.g.: adapted for wheelchairs)?						
34	Is the interior of the home free of excess trash?						

Item No.	Requirements	Homes					
		A	B	C	D	E	F
35	Is the storage of chemicals and other toxins safe for the individuals who live in the home? (Significant risk that requires immediate attention)						
36	Is the home free of safety hazards?				No		
37	Is the kitchen accessible to the individual(s) for accessing water and food?						
38	Is the water temperature 120 degrees or lower? (Significant risk that requires immediate attention)						
39	Are the kitchen appliances (e.g.: stove, refrigerator, dishwasher) clean and in working order?			No			No
40	If there are any cats/dogs at the home, do they have current vaccinations?	—	—	—	—	—	—
<b>Medications</b>							
41	Are the medications secured as needed to safeguard the individuals? (Significant risk that requires immediate attention)						
42	Are medication administration records available and completed accurately?		No	No	No		
43	Are staff knowledgeable about the medications received by the individuals?						
44	If staff are administering medications, have they been trained by a nurse? (Significant risk that requires immediate attention)						
<b>Abuse and Neglect</b>							
45	Is the legal (contract) posting for the provider present and in view?						
46	Do the staff know what constitutes abuse, neglect, and exploitation?						
47	Do staff know the requirements for reporting abuse, neglect, and exploitation?						
48	Do staff know how to prevent abuse, neglect and exploitation?						
<b>Staff Training</b>							
49	Have staff received the training necessary to deliver services as required by the needs and characteristics of the individuals living in the home?						
50	Have staff received training in infection control and do staff follow proper infection control policies and procedures during the residential review?	No	No	No	No		
<b>Total Instances of Noncompliance</b>		<b>3</b>	<b>4</b>	<b>9</b>	<b>6</b>	<b>0</b>	<b>7</b>

Source: OIG Audit

## Appendix C: Photographs From OIG Audit's Site Visits

### Examples of Compliance Identified During Site Visits

Figures C.1 through C.4 present examples of the compliant living environments observed by OIG Audit during site visits to the six homes managed by Community Options selected as part of this audit.

**Figure C.1: Home A Interior**



Bedroom containing personal decoration as well as clean and functional adaptive equipment.

Source: OIG Audit

**Figure C.2: Home D Interior**



Pantry containing sufficient and varied food for residents.

Source: OIG Audit

**Figure C.3: Home E Interior**



Clean, well-maintained living space with decorative furnishings.

Source: OIG Audit

**Figure C.4: Home F Interior**



Clean, well-maintained living space with decorative furnishings.

Source: OIG Audit

## Examples of Noncompliance with Requirements for Home Interiors

Figures C.5 through C.10 present examples of noncompliant interior living environments observed by OIG Audit during site visits to the six homes managed by Community Options selected as part of this audit.

**Figure C.5: Home B Interior**



Unclean air vent and associated ceiling damage.

*Source: OIG Audit*

**Figure C.6: Home C Interior**



Mold in the main bathroom.

*Source: OIG Audit*

**Figure C.7: Home C Interior**



Bathroom containing trash and wall damage.

*Source: OIG Audit*

**Figure C.8: Home C Interior**



Bathtub with mildew and missing faucet.

*Source: OIG Audit*

**Figure C.9: Home C Interior**



Structural damage to a door.

*Source: OIG Audit*

**Figure C.10: Home D Interior**



Bedroom containing wall damage.

*Source: OIG Audit*

### Examples of Noncompliance with Requirements for Home Exteriors

Figures C.11 through C.15 present examples of noncompliant exterior living environments observed by OIG Audit during site visits to the six homes managed by Community Options selected as part of this audit.

**Figure C.11: Home B Exterior**



Loose extension cords in walkways.

*Source: OIG Audit*

**Figure C.12: Home B Exterior**



Holes surrounding the home's foundation.

*Source: OIG Audit*

**Figure C.13: Home B Exterior**



Electrical outlet with a broken cover.

*Source: OIG Audit*

**Figure C.14: Home C Exterior**



Glass shards in the backyard.

*Source: OIG Audit*

**Figure C.15: Home F Exterior**



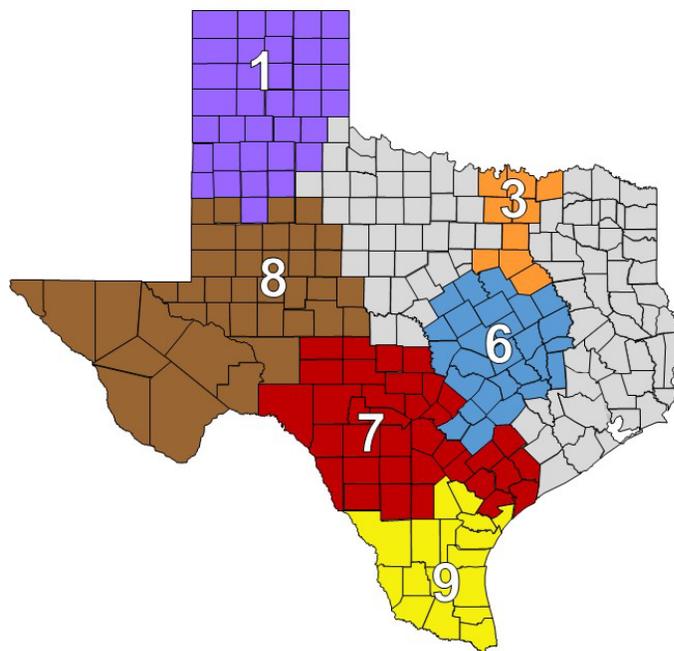
Trash in the backyard.

*Source: OIG Audit*

## Appendix D: HHSC Waiver Contract Areas Served by Community Options

Community Options operates in waiver contract area 1, which includes 35 Texas counties; waiver contract area 3, which includes 9 Texas counties; waiver contract area 6, which includes 27 Texas counties; waiver contract area 7, which includes 36 Texas counties; waiver contract area 8 which includes 39 Texas counties; and waiver contract area 9, which includes 17 Texas counties. The six homes visited as part of this audit were located in waiver contract areas 6 and 7.

**Figure D.1: HHSC Waiver Contract Areas Served by Community Options**



Source: Texas Department of Aging and Disability Services (DADS) (now part of HHSC), Waiver Contract Areas by County (July 2015)

Table D.1 identifies the Texas counties included in waiver contract areas 1, 3, 6, 7, 8, and 9.

**Table D.1: Texas Counties in Waiver Contract Areas 1, 3, 6, 7, 8, and 9**

Waiver Contract Area	Counties
Waiver contract area 1	Armstrong, Bailey, Briscoe, Carson, Castro, Cochran, Collingsworth, Crosby, Dallam, Deaf Smith, Donley, Floyd, Gray, Hale, Hall, Hansford, Hartley, Hemphill, Hockley, Hutchinson, Lamb, Lipscomb, Lubbock, Lynn, Moore, Motley, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Sherman, Swisher, and Wheeler.

Waiver Contract Area	Counties
Waiver contract area 3	Collin, Cooke, Dallas, Denton, Ellis, Fannin, Grayson, Johnson, and Navarro.
Waiver contract area 6	Bastrop, Bell, Bosque, Brazos, Burleson, Burnet, Caldwell, Coryell, Falls, Fayette, Freestone, Gonzales, Grimes, Guadalupe, Hamilton, Hill, Lampasas, Lee, Leon, Limestone, Madison, McLennon, Milam, Robertson, Travis, Washington, and Williamson.
Waiver contract area 7	Atascosa, Bandera, Bexar, Blanco, Calhoun, Comal, De Witt, Dimmit, Edwards, Frio, Gillespie, Goliad, Hays, Jackson, Karnes, Kendall, Kerr, Kimble, Kinney, La Salle, Lavaca, Llano, Mason, Maverick, McMullen, Medina, Menard, Real, Refugio, Schleicher, Sutton, Uvalde, Val Verde, Victoria, Wilson, and Zavala.
Waiver contract area 8	Andrews, Borden, Brewster, Coke, Concho, Crane, Crockett, Culberson, Dawson, Ector, El Paso, Fisher, Gaines, Garza, Glasscock, Howard, Hudspeth, Irion, Jeff Davis, Kent, Loving, Martin, Midland, Mitchell, Nolan, Pecos, Presidio, Reagan, Reeves, Runnels, Scurry, Sterling, Terrell, Terry, Tom Green, Upton, Ward, Winkler, and Yoakum.
Waiver contract area 9	Aransas, Bee, Brooks, Cameron, Duval, Hidalgo, Jim Hogg, Jim Wells, Kenedy, Kleberg, Live Oak, Nueces, San Patricio, Starr, Webb, Willacy, and Zapata.

*Source: Texas Department of Aging and Disability Services (DADS) (now part of HHSC), Waiver Contract Areas by County (July 2015)*

---

## Appendix E: Abbreviations

---

### Abbreviations Used in This Report

CDC	United States Centers for Disease Control and Prevention
Community Options	Community Options, Inc.
HCS	Home and Community-Based Services program
HHS	Health and Human Services
HHSC	Health and Human Services Commission
Homes	Three- and four-person residences operated by Community Options
OIG	Office of Inspector General
OIG Audit	OIG Audit and Inspections Division
HHSC Residential Checklist	HHSC Waiver Survey and Certifications Residential Checklist

---

## Appendix F: Report Team and Distribution

---

### Report Team

OIG staff members who contributed to this audit report include:

- Audrey O’Neill, CIA, CFE, CGAP, Chief of Audit and Inspections
- Kacy J. VerColen, CPA, Deputy Inspector General of Audit and Inspections
- Anton Dutchover, CPA, Audit Director
- Marcus Horton, CIA, CFE, CRMA, CCSA, Audit Project Manager
- Bridget Hale, Staff Auditor
- Sonja Murillo, Staff Auditor
- McKenna Kolbasinski, Associate Auditor
- Adam Tondre, Associate Auditor
- Karen Mullen, CGAP, Quality Assurance Reviewer
- Kanette Blomberg, CPA, Quality Assurance Reviewer
- Ashley Rains, CFE, Senior Audit Operations Analyst

### Report Distribution

#### Health and Human Services

- Cecile Erwin Young, Executive Commissioner
- Kate Hendrix, Chief of Staff
- Maurice McCreary, Jr., Chief Operating Officer
- Victoria Ford, Chief Policy and Regulatory Officer
- Karen Ray, Chief Counsel
- Michelle Alletto, Chief Program and Services Officer
- Nicole Guerrero, Director of Internal Audit
- Stephanie Stephens, Deputy Executive Commissioner, Medicaid and CHIP Services
- Emily Zalkovsky, Deputy State Medicaid Director, Medicaid and CHIP Services

- Stephen Pahl, Deputy Executive Commissioner for Regulatory Services
- Michelle Dionne-Vahalik, Associate Commissioner, Long Term Care Regulation
- Diana Choban, Deputy Associate Commissioner, Long Term Care Regulation
- Alyssa Naugle, Director of Waiver Survey and Certification, Long Term Care Regulation

Community Options, Inc.

- Gregory Thoennes, Regional Vice President
- Jamie Reynolds, Texas State Director
- Vanessa Vara Martinez, Texas State Director of Quality Assurance

---

## **Appendix G:   OIG Mission, Leadership, and Contact Information**

---

The mission of OIG is to prevent, detect, and deter fraud, waste, and abuse through the audit, investigation, and inspection of federal and state taxpayer dollars used in the provision and delivery of health and human services in Texas. The senior leadership guiding the fulfillment of OIG’s mission and statutory responsibility includes:

- Sylvia Hernandez Kauffman, Inspector General
- Susan Biles, Chief of Staff
- Dirk Johnson, Chief Counsel
- Christine Maldonado, Chief of Operations and Workforce Leadership
- Juliet Charron, Chief of Strategy
- Steve Johnson, Chief of Investigations and Reviews

### **To Obtain Copies of OIG Reports**

- OIG website: [ReportTexasFraud.com](http://ReportTexasFraud.com)

### **To Report Fraud, Waste, and Abuse in Texas HHS Programs**

- Online:       <https://oig.hhs.texas.gov/report-fraud-waste-or-abuse>
- Phone:        1-800-436-6184

### **To Contact OIG**

- Email:        [OIGCommunications@hhs.texas.gov](mailto:OIGCommunications@hhs.texas.gov)
- Mail:         Texas Health and Human Services  
Office of Inspector General  
P.O. Box 85200  
Austin, Texas 78708-5200
- Phone:        512-491-2000