

Audit Report

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

**Kenmar Residential HCS
Services, Inc.**



**Inspector
General**

Texas Health
and Human Services

**August 23, 2021
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TEXAS HEALTH AND HUMAN SERVICES
OFFICE OF
INSPECTOR GENERAL

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Audit Report

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

Kenmar Residential HCS Services, 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 Kenmar Residential HCS Services, Inc. (Kenmar) 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 Kenmar provided Medicaid beneficiaries living in three- and four-person residences (homes) with safe and healthy living environments.

Kenmar is an HCS program provider that operates 26 homes serving 58 Medicaid beneficiaries. In state fiscal year 2020, Kenmar received \$2,488,062.76 to deliver supervised living and residential support services to Medicaid beneficiaries under its care.

WHAT OIG RECOMMENDS

Kenmar should strengthen its controls to ensure that staff:

- Store medications in a manner that safeguards the health and safety of residents.
- Maintain accurate and verifiable medication administration records.
- Appropriately screen visitors for COVID-19 and comply with other infection control requirements.

MANAGEMENT RESPONSE

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

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WHAT OIG FOUND

Kenmar Residential HCS Services, Inc. (Kenmar) complied with most of 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 four three- and four- person residences (homes). Specifically, for the four homes visited by OIG Audit, Kenmar fully complied with health and safety requirements concerning essential features of each home's exterior and interior; emergency evacuation plans; fire safety standards; and abuse, neglect, and exploitation protocols. One home fully complied with all requirements concerning medications.

However, Kenmar did not consistently comply with requirements concerning medications and infection control policies, and OIG Audit identified instances of noncompliance at each visited home. Specifically:

- One of four visited homes did not appropriately store medications.
- One of four visited homes did not have accurate medication administration records.
- Two of four visited homes did not have verifiable medication administration records.
- Four of four visited homes did not adequately screen OIG auditors for COVID-19.

BACKGROUND

The Home and Community-Based Services (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 Kenmar, 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.

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INTRODUCTION

The Texas Health and Human Services (HHS) Office of Inspector General Audit and Inspections Division (OIG Audit) conducted an audit of Kenmar Residential HCS Services, Inc. (Kenmar), 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.¹

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 Kenmar, 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,² 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 adaptive equipment, occupational and physical therapy, nursing, and prescribed medications.

¹ 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).

² Private HCS program providers can only manage homes that they lease or own.

Kenmar is an HCS program provider that operates 26 homes across four Texas counties: Brazos, Harris, Travis, and Williamson. These homes serve 58 Medicaid beneficiaries³ and fall across two waiver contract areas.⁴ Of the 26 homes managed by Kenmar, 19 have a maximum occupancy of four persons, while 7 have a maximum occupancy of three persons. In 2020, Kenmar received \$2,488,062.76 in reimbursed paid claims for delivering supervised living and residential support services to Medicaid beneficiaries. As of July 27, 2021, Kenmar had received \$3,396,179.54 in reimbursed paid claims for supervised living and residential support services delivered between September 1, 2020, and June 4, 2021.⁵

Objective and Scope

The objective of the audit was to evaluate whether Kenmar 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)⁶ and the COVID-19 emergency rules for the HCS program.⁷

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 review of Kenmar's 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 four homes managed by Kenmar. Specifically, OIG Audit visited two homes located in Bryan, Texas and two homes located in Pflugerville, Texas, on May 24, 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

³ Kenmar was operating 26 homes as of March 11, 2021, and 58 Medicaid beneficiaries resided within these homes as of February 11, 2021.

⁴ 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 Kenmar.

⁵ 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 living in three- and four-person residences typically receive around-the-clock care in the form of supervised living or residential support services.

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

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

Survey and Certification's monitoring framework.⁸ 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.

⁸ 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 four 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
Emergency Evacuation Plans	
12	<ul style="list-style-type: none"> • Staff knowledge regarding emergency evacuation plans and fire drills, and associated documentation • Functionality and accessibility of smoke detectors and fire extinguishers • Accessibility of exit points, such as a window or door • Availability of emergency numbers
Four-Person Homes	
3	<ul style="list-style-type: none"> • Functionality of the fire alarm system and sprinklers • Documentation of current fire marshal inspection
Neighborhood and Home Exterior	
7	<ul style="list-style-type: none"> • Similarity to other homes in proximity • Proximity to community services • Condition of outside areas • Accessibility of walkways and entrances
Home Interior and Individuals	
18	<ul style="list-style-type: none"> • Availability and sufficiency of food • Availability and appropriateness of transportation • Appropriateness of home and water temperatures • Condition and cleanliness of walls, ceilings, floors, hallways, bathrooms, living spaces, furniture, and kitchen appliances • Presence of pests, odors, unvaccinated pets, and unsecured chemicals or other toxins • Presence and condition of the residents' required minor home modifications and adaptive equipment
Medications	
4	<ul style="list-style-type: none"> • Appropriateness of medication storage • Completeness and accuracy of medication administration records • Staff knowledge about each resident's medications • Staff assurance that they have received training from a nurse
Abuse and Neglect	
4	<ul style="list-style-type: none"> • Staff knowledge of abuse, neglect, and exploitation, including definitions, reporting requirements, and prevention methods • Presence of legal posting
Staff Training	
2	<ul style="list-style-type: none"> • Staff assurance that they have received needs-based training • Staff compliance with infection control policies⁹

Source: OIG Audit, based on the HHSC Residential Checklist

⁹ OIG Audit assessed Kenmar's 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 Kenmar in writing.

OIG Audit also reviewed Kenmar's system of internal controls, including components of internal control,¹⁰ 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 Kenmar in a draft report dated July 30, 2021. Kenmar agreed with the audit recommendations and indicated corrective actions would be implemented by September 2021. Kenmar's 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)¹¹
- Texas Department of Mental Health and Mental Retardation (now part of HHSC), "Medicaid Provider Agreement for the Provision of HCS Program Services," Vendor #001007619 (2003)
- Texas Health and Human Services Commission, Form 3609: Waiver Survey and Certification Residential Checklist (2015)
- Texas Department of Aging and Disability Services (DADS) (now part of HHSC), Regulatory Services, *Waiver Survey and Certification Manual*, Volume III: Residential Reviewer Manual (2014)

¹⁰ 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).

¹¹ 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

Kenmar complied with most of HHSC's health and safety requirements during OIG Audit's unannounced site visits to four homes. Specifically, for the four homes visited by OIG Audit, Kenmar fully complied with requirements concerning:

- Essential features of each home's exterior and interior. OIG Audit did not identify any issues related to the homes' accessibility, cleanliness, structural integrity, or food and water supplies. Residents had comfortable bedrooms with ample personal decoration and access to appropriate adaptive equipment and transportation. Photographs highlighting Kenmar's well-maintained living environments are included in Appendix C.
- Emergency evacuation plans and fire safety standards for homes with four beds. OIG Audit did not identify any significant issues related to the homes' fire safety equipment or records. Likewise, Kenmar staff clearly articulated how to evacuate each resident in the event of an emergency.
- Abuse, neglect, and exploitation protocols. OIG Audit did not identify any issues related to staff knowledge concerning how to identify, report, and prevent the abuse, neglect, and exploitation of residents.

However, Kenmar did not consistently comply with requirements concerning medications and infection control policies. Specifically:

- One of four visited homes did not appropriately store medications.
- One of four visited homes did not have accurate medication administration records.
- Two of four visited homes did not have verifiable medication administration records.
- Four of four visited homes did not adequately screen OIG auditors for COVID-19.

Table 2 provides an overview by home, referred to as Homes A through D, of the instances of noncompliance identified by OIG Audit during site visits.

Table 2: Noncompliance with Requirements Identified During Site Visits

Requirements	Homes			
	A	B	C	D
Medications				
Are the medications secured as needed to safeguard the individuals? (Significant risk that requires immediate attention)		No		
Are medication administration records available and completed accurately?	No	No		No
Staff Training				
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
Total Instances of Noncompliance	2	3	1	2

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 Kenmar's homes at the time of OIG Audit's unannounced site visits. OIG Audit also communicated other, less significant findings to Kenmar separately in writing.

MEDICATIONS

HCS program providers must store medications appropriately to protect the health and safety of the Medicaid beneficiaries under their care.¹² Staff may determine what constitutes appropriate storage based on the cognitive and physical capabilities of the residents in each home. Therefore, the requirements for appropriately storing medications may differ among homes. Not appropriately storing medications increases the risk that residents may self-administer or overdose on medications. When testing this requirement, OIG Audit considered whether residents could feasibly access the medications in each home without assistance from staff.

¹² Texas Health and Human Services Commission, Form 3609: Waiver Survey and Certification Residential Checklist, Item 41 (Nov. 2015).

In addition, HCS program providers must maintain accurate and verifiable medication administration records.^{13,14,15} 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.¹⁶ 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.¹⁷

Kenmar's Internal Requirements for Medications

Kenmar has a policy and procedure for medication administration records that (a) outlines how staff should manage and document the medication administration process, (b) requires staff to date and initial medication administration records each time they assist residents with taking prescribed medications, and (c) requires Kenmar nurses to review medication administration records monthly to ensure appropriate completion. If a nurse identifies an error on a medication administration record, Kenmar's policy directs that the nurse must document the error and follow-up with relevant staff through training.

Upon an individual's placement in a home, Kenmar care coordinators will inspect the living environment to ensure that it meets the Medicaid beneficiary's needs. Care coordinators then inspect the home annually thereafter using the same monitoring checklist.¹⁸ The checklist contains four items related to medication, which require that care coordinators assess whether staff have appropriately stored medications and accurately completed medication administration records for each resident.

Kenmar also conducts mandatory training for new staff on how to administer medications.

¹³ Texas Health and Human Services Commission, Form 3609: Waiver Survey and Certification Residential Checklist, Item 42 (Nov. 2015).

¹⁴ 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).

¹⁵ Each resident's medication administration record should contain detailed information about their prescribed drugs.

¹⁶ 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).

¹⁷ Auditors only attempted this reconciliation for tablets packaged in bubble medication packets.

¹⁸ Kenmar's monitoring checklist contains 32 items and covers similar topics to the HHSC Residential Checklist.

Issue 1: Kenmar Staff Did Not Consistently Comply with Medication Requirements

At the time of OIG Audit's unannounced site visits, Kenmar staff demonstrated sufficient knowledge of residents' medications, including side effects, dosage, and administration times; however, only Home C complied with all requirements concerning medications. For Homes A, B, and D, Kenmar did not consistently ensure that staff:

- Stored medications appropriately.^{19,20}
- Completed medication administration records for each resident in an accurate and verifiable manner.^{21,22}

Table 3 provides an overview of the instances of noncompliance with medication requirements identified by OIG Audit during site visits.

Table 3: Noncompliance with Medication Requirements

Requirements	Homes			
	A	B	C	D
Medications				
Are the medications secured as needed to safeguard the individuals? (Significant risk that requires immediate attention)		No		
Are medication administration records available and completed accurately?	No	No		No
Total Instances of Noncompliance	1	2	0	1

Source: OIG Audit

Kenmar Did Not Appropriately Store Medications

In Home B, all medications were stored in a kitchen cabinet without a lock, and OIG Audit determined that one of the residents had the height and physical capabilities to access these medications. Staff in Homes A, C, and D stored most medications in unlocked cabinets;²³ however, OIG Audit considered the mobility

¹⁹ Texas Health and Human Services Commission, Form 3609: Waiver Survey and Certification Residential Checklist, Item 41 (Nov. 2015).

²⁰ 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).

²¹ Texas Health and Human Services Commission, Form 3609: Waiver Survey and Certification Residential Checklist, Item 42 (Nov. 2015).

²² 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).

²³ Staff in Home D stored controlled substances in locked boxes within the cabinet.

status of the residents in these particular homes and found that this minimal security did not pose a significant risk to the residents. Therefore, only staff in Home B did not store medications as required.

Kenmar's policy and procedure for medication administration records does not outline how to appropriately store medications; however, Kenmar's nursing orientation test for new staff states that a home's medication cabinet should remain locked at all times. This guidance conflicts with OIG Audit's observations across the four homes. In addition, while Kenmar's monitoring checklist requires care coordinators to assess whether staff have appropriately stored residents' medications, it does not explicitly outline what constitutes an acceptable result, which may reduce its effectiveness. Kenmar care coordinators only utilize the checklist on an annual basis, which may hinder their ability to identify and resolve issues pertaining to medications in a timely manner.

Kenmar Did Not Accurately Complete Some Medication Administration Records

Staff in Home D inaccurately completed a resident's medication administration record for the next day instead of the current day. This error could increase the risk of staff incorrectly administering medications in the future.

Kenmar's policy and procedure for medication administration records states that nurses must evaluate the accuracy of the medication administration records for each resident at the end of each month. In addition, Kenmar's monitoring checklist requires care coordinators to assess these records annually for each resident. Therefore, there is a risk that Kenmar may not identify significant issues regarding medication administration in a timely manner.

OIG Auditors Could Not Verify Some of Kenmar's Medication Administration Records

OIG Audit was unable to verify that staff in Homes A and B administered all medications to residents according to physicians' orders. While Homes A and B maintained current medication administration records, OIG Audit could not verify the accuracy of the records because staff had not consistently annotated each bubble medication packet by dating and initialing next to the empty windows.²⁴ This lack of verifiable evidence prevents staff from easily confirming whether their colleagues on the previous shift administered medications to residents according to the completed records.

²⁴ OIG Audit was able to partially verify the accuracy of residents' medication administration records because the bubble medication packets for some residents included the date and time of administration printed on the back.

Kenmar does not require staff to date and initial residents' medication packets in addition to dating and initialing the medication administration records. Likewise, Kenmar's monitoring checklist does not require care coordinators to assess the accuracy of residents' medication administration records by checking for verifiable evidence.

Recommendation 1

Kenmar should strengthen its controls to ensure that staff:

- Store medications in a manner that safeguards the health and safety of residents.
- Maintain accurate and verifiable medication administration records.

Management Response

Action Plan for Medication Storage

1. Kenmar will ensure medications are stored in a manner that safeguards the health and safety of the residents by implementing the following Action Plan to resolve any unsafe practice.

- *First the Medication Storage Policy was updated after careful review on 8/1/2021. The policy now states all medication will be stored in a locked area at the residence.*
- *All schedule II and IV narcotics will be stored in a separate compartment under double lock and key.*
- *The Nurse, the Site Supervisor, Program Director and Case Managers will periodically inspect medication storage areas to ensure all medications are stored correctly and locked to protect the health and safety of the individuals in each residence. The periodic inspection will be done based on best practice for an individual residence as staffing and site conditions dictate. Quarterly inspections at minimum should be completed to ensure compliance with proper and safe storage of medication.*

- *The Nurse shall use the Kenmar HCS Nurse Review to monitor for safety and proper storage. The Site Supervisor, Program Director, and/or Case Manager shall use the Kenmar HCS Residential Review Form.*
- *The Kenmar Program Director will keep all Kenmar HCS Residential Reviews and Kenmar HCS Nurse Review on file to ensure proper monitoring of the medication storage in each residence.*

Action Plan for Medication Administration

2. *Kenmar will ensure individuals served have accurate and verifiable medication administration records (MARs) by implementing the following Action Plan to correct any incomplete or improper medication records.*

- *First the Medication Administration Records (MARs) Policy was updated on 8/1/2021 to include more specific training of staff responsible for assisting in the administration of medications. The policy was updated to make the nurse responsible for verifying that medication in the homes match corresponding orders and match what is being administered on the MARs.*
- *It was found that some homes did not have a system in place to verify that actual medication which were to be administered were administered as ordered. As a result, Kenmar implemented a Medication Pill Count Policy. The Policy requires staff administering the medication to have a count showing that medication in a Blister Pack and or Bottle match what should have been given. This will help prevent diversion of medications and allows all staff, including the nurse a way to verify medications were administered correctly.*
- *A Medication Pill Count Form will be completed for medications administered in the residence. The Count will be reviewed by staff administering medication and completed/updated at the time of the medication being administered. Some residences may use MAR's that have the count included on the actual MAR. In these residences the Medication Pill Count Form will not be required.*
- *The Site Supervisor, Program Director and/or Case Manager will periodically complete the Kenmar HCS Residential Review Form per best practice for each residence as staffing and site conditions dictate. If a site has ongoing issues or significant change in staff the Kenmar HCS Residential Review Form should be completed more often. At least one review must be completed per year per resident and shared with the Service Coordinator as required by HCS. The completion of the document reviews many areas of the residence but is also a proactive way to ensure the medications are properly being administered without error.*

- *The Nurse will complete the Kenmar HCS Nurse Review quarterly and as needed based on staffing and site-specific issues to again ensure and verify medications are being administered and counted correctly.*
- *The Kenmar HCS Residential Review and the Kenmar HCS Nurse Review shall be completed most times unannounced, but can be pre-planned visits as a training tool for the staff at the house.*
- *The Kenmar Program Director will keep all Kenmar HCS Residential Reviews and Kenmar HCS Nurse Review on file to verify proper monitoring of the medication.*

Responsible Manager

The Kenmar Regional Director is the Primary Responsible Manager for Kenmar and in his/her absence the Program Director(s) will be the Secondary Manager(s).

Target Implementation Date

The plan was implemented officially on 8/1/21 with changes in forms and policy. The training of staff on proper safety and storage of medications and medication administration will begin on 8/13/21 and will be completed by 8/31/21 for existing staff in the residences. As new employees begin employment with Kenmar HCS these employees will receive the training on Medication Storage and Medication Administration prior to working in any Kenmar residence. The Reviews by the nurse and other monitoring staff documented above will begin by 9/1/21 and continue as a system of compliance and quality assurance with Kenmar HCS in all homes.

INFECTION CONTROL

HCS program providers must develop, implement, and maintain policies and procedures regarding infection control.²⁵ Kenmar 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 follow.²⁶ These rules, among other provisions, require HCS program providers to ensure that staff screen all visitors before allowing them to enter the home. Staff must keep a log documenting each visitor's name along with the date, time, and results of their screening.

²⁵ 40 Tex. Admin. Code § 9.177(e) (May 10, 2020).

²⁶ 40 Tex. Admin. Code § 9.198 (Apr. 23, 2021).

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.

The emergency rules also require HCS program providers to (a) train staff on infection control policies initially and upon any updates and (b) educate staff in basic infection prevention methods, such as hand hygiene and cough etiquette.

Issue 2: Kenmar Staff Did Not Consistently Comply with COVID-19 Emergency Rules

During OIG Audit’s unannounced site visits, Kenmar’s staff, where practicable, maintained physical distance from others; however, Kenmar did not ensure that staff consistently complied with all requirements for infection control that were designed to safeguard the health and safety of residents.

Table 4 provides an overview of the instances of noncompliance with staff training requirements for infection control identified by OIG Audit during site visits.

Table 4: Noncompliance with Staff Training Requirements for Infection Control

Requirements	Homes			
	A	B	C	D
Staff Training				
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

Kenmar Did Not Adequately Screen OIG Auditors for COVID-19

Staff at Home D did not take auditors' temperatures before granting them entry into the home. In addition, staff at Homes A, B, C, and D (a) did not assess auditors against the remainder of the screening criteria and (b) did not document all the required information in a log. These omissions increase the risk that staff will expose residents, colleagues, and others to COVID-19.

While staff had access to logs, they did not input the results of auditors' screenings. OIG Audit interacted with five staff members across the four homes, and all five staff members had received the required training in Kenmar's infection control policy, which included the COVID-19 screening requirements. In addition, although Kenmar's monitoring checklist assesses if staff comply with infection control policies, care coordinators only perform this review annually.

Recommendation 2

Kenmar should strengthen its controls to ensure that 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

Kenmar has had an Infection Control Policy in place per the last Emergency Rule update for HCS 4/23/21 - [9.198 Program Provider Response to COVID-19 Emergency Rule] as documented and found in compliance during the said Office of Inspector General Audit dated 7/30/21. Although the policy was in compliance, the implementation of said policy and monitoring of proper infection controls regarding COVID-19 were found to be deficient and possibly jeopardizing the resident, staff and others to COVID-19, risking their health and safety.

Kenmar has implemented the following Action Plan to resolve the health and safety risk to Covid-19 and ensure proper infection controls are in place.

1. Kenmar reviewed the current Infection Control Policy, even though found in compliance to ensure all items were included to ensure health and safety. This review was completed 7/30/21 thru 8/1/21. Since each Kenmar home reviewed by the Office of Inspector General auditors was not in compliance with following the policy, it was determined that all other homes operated by Kenmar may have similar issues of non-compliance, so the Infection Control Policy was modified to better ensure compliance with rule 9.198 regarding COVID-19. The Policy was modified on 8/1/21 to incorporate a better screening tool for staff, an updated

posting for the outside door and some minor changes within the policy to incorporate based on the 4/23/21 emergency rule update to 9.198.

2. Kenmar began placing new Covid Visitation Postings on all the residences on 8/6/21. This is to be complete by 8/16/21 to replace worn out or missing postings.

3. Kenmar began initial training on the modified Infection Control Essential Caregiver/Visitor Policy on 8/13/21 along with setting up new Covid Screening Books for each of the Kenmar homes which contain a better Screening Form. The new screening form when used will ensure all visitors to the home are:

- Checked for fever (100.4 and higher)*
- Reviewed for signs and symptoms of COVID-19 including chills, cough, shortness of breath or difficulty breathing, fatigue, muscle or body aches, headache, loss of taste or smell, sore throat, congestion or runny nose, nausea or vomiting, diarrhea or any other signs or symptoms identified by the CDC in the future.*
- Asked if they have had contact with someone who has a confirmed diagnosis of COVID-19.*
- Asked if they have travelled internationally in the past 14 days*
- Has tested positive for COVID-19 in the past 10 days*

Any individual noted with "YES" above would be denied access to the residence, and a supervisor called. Exception to this would be Emergency Personnel requiring access for a critical issue.

4. Kenmar also began re-training staff on basic Infection Prevention Methods on 8/6/21, regarding Universal Precautions, Hand Washing, Cough etiquette, and Mask Wearing.

5. Kenmar will continue training for all current staff until all are completed. Any staff not receiving the current training will not be able to work in a Kenmar Residence. Newly hired and future staff will receive Infection Control and Covid Visitor Training prior to working a shift in the residence.

6. Kenmar will implement the following plan to ensure compliance with proper screening of visitors to the residence.

- For the first month designated staff will complete at minimum weekly unannounced visits at random homes, times, and dates to ensure proper screening is taking place. Designated staff: Care Coordinators, Case Managers, Directors, Q/A Staff, and Nurses. Any deficient screening found will require that staff(s) to be re-trained again immediately on proper screening procedures.*

- *After the first month, until a change in the Covid-19 screening rule occurs designated staff will complete at minimum quarterly unannounced visits at random homes and times and dates. Designated staff: Care Coordinators, Case Managers, Directors, Q/A Staff and Nurses. Any deficient screening found will require that staff(s) to be re-trained immediately on proper screening procedures.*
- *Documentation of the random unannounced visits will be indicated on the Screening Form as "Monitoring Visit" and kept for review and needed analysis in Infection Control Compliance.*

Responsible Manager

The Kenmar Regional Director is the Primary Responsible Manager for Kenmar and in his/her absence the Program Director(s) will be the Secondary Manager(s).

Target Implementation Date

The plan was implemented officially on 8/1/21 with changes in forms and policy. The training of staff on proper infection controls implemented 8/13/21 will be completed by 8/31/21 with Random Monitoring Visits ensuring compliance with proper infection controls implemented on 8/31/21. The Plan will stay in place as noted above until a change is noted in the Emergency Rule on COVID-19.

Implementation of the new COVID-19 Screening Tool and Posting, training of staff on Infection Control and Monitoring of homes/staff compliance will be fully implemented by 8/31/21, with on-going trainings and monitoring as noted in the "Action Plan" noted above.

CONCLUSION

Kenmar complied with most of HHSC's health and safety requirements during OIG Audit's unannounced site visits to four homes.

All four Kenmar homes fully complied with health and safety requirements concerning the essential features of each home's exterior and interior; emergency evacuation plans; fire safety standards; and abuse, neglect, and exploitation protocols. In addition, one home fully complied with all requirements concerning medications.

However, OIG Audit identified instances of noncompliance at each home. Specifically:

- One of four visited homes did not appropriately store medications.
- One of four visited homes did not have accurate medication administration records.
- Two of four visited homes did not have verifiable medication administration records.
- Four of four visited homes did not adequately screen OIG auditors for COVID-19.

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

- Residents cannot inappropriately access medications.
- Staff can readily verify the accuracy of residents' medication administration records.
- Staff appropriately screen visitors for COVID-19 and comply with other infection control requirements, including current or future emergency rules adopted by HHSC.

OIG Audit thanks management and staff at Kenmar 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 Kenmar in writing. OIG Audit then analyzed Kenmar's internal controls in the context of these exceptions by:

- Interviewing Kenmar 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 four homes managed by Kenmar, including two homes located in Bryan, Texas, and two homes located in Pflugerville, 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 Kenmar's 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.

Table B.1: Homes A Through D

Item No.	Requirements	Homes			
		A	B	C	D
Emergency Evacuation Plans					
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? ²⁷ (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?				
5	Do emergency plans reflect the special needs of the individual(s) who live here?				
6	Have the staff members participated in a fire drill?				
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?				
Four-Person Homes Only					
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)	—	—	—	
14	If the home has sprinklers, have they been checked annually and are they unobstructed?	—	—	—	
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)	—	—	—	

²⁷ "Egress" refers to an exit point, such as a window or door.

Item No.	Requirements	Homes			
		A	B	C	D
Neighborhood and Home Exterior					
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)?				
20	Is the outside area free of garbage, trash, or excessive clutter?				
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?	—	—	—	
Home Interior and Individuals					
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?				
28	Is the home free of bugs and other infestations? (Significant risk that must be addressed within 48 hours)				
29	Are the floors, walls, and ceilings in good repair?				
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?				
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?				
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?				
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?				
40	If there are any cats/dogs at the home, do they have current vaccinations?	—	—	—	—

Item No.	Requirements	Homes			
		A	B	C	D
Medications					
41	Are the medications secured as needed to safeguard the individuals? (Significant risk that requires immediate attention)		No		
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)				
Abuse and Neglect					
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?				
Staff Training					
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
Total Instances of Noncompliance		2	3	1	2

Source: *OIG Audit*

Appendix C: Photographs From OIG Audit's Site Visits

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

Figure C.1: Home A



Source: OIG Audit

Figure C.2: Home B



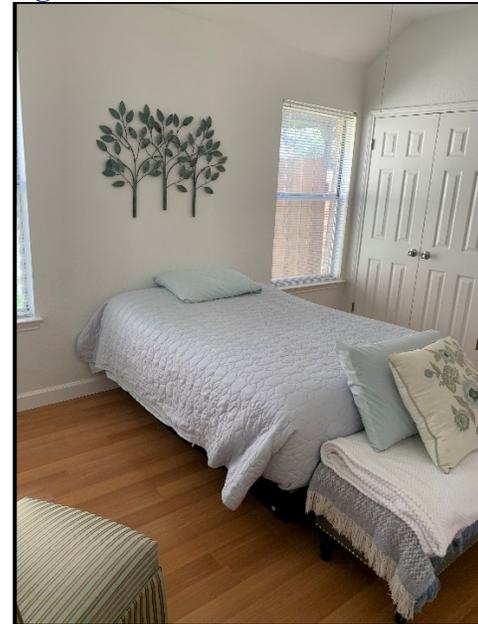
Source: OIG Audit

Figure C.3: Home C



Source: OIG Audit

Figure C.4: Home D

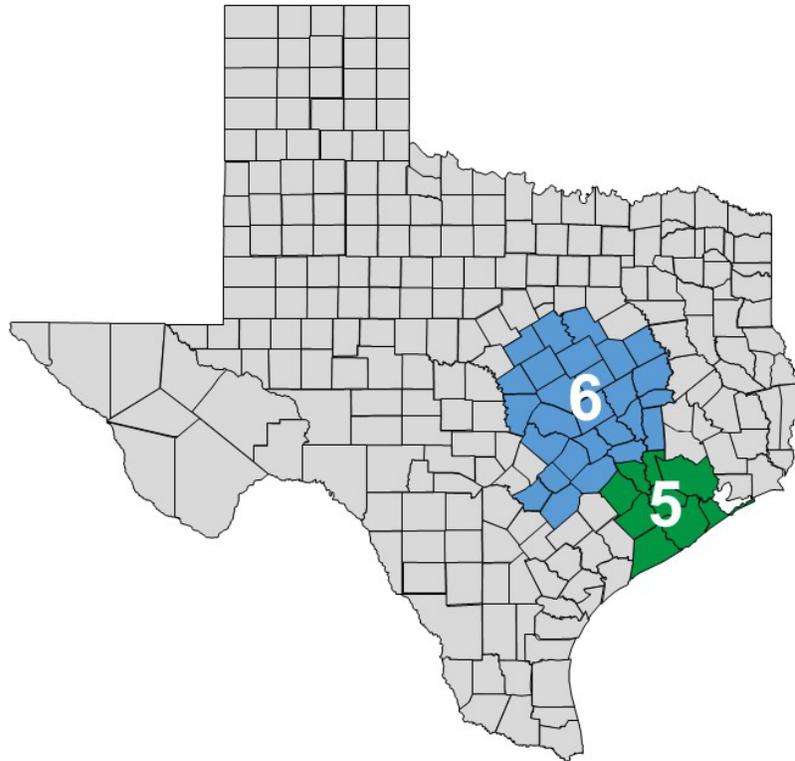


Source: OIG Audit

Appendix D: HHSC Waiver Contract Areas Served by Kenmar

Kenmar operates in waiver contract area 5, which includes 9 Texas counties, and waiver contract area 6, which includes 27 Texas counties. The four homes visited as part of this audit were located in waiver contract area 6.

Figure D.1: HHSC Waiver Contract Areas Served by Kenmar



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 5 and 6.

Table D.1: Texas Counties in Waiver Contract Areas 5 and 6

Waiver Contract Area	Counties
Waiver contract area 5	Austin, Brazoria, Colorado, Fort Bend, Galveston, Harris, Matagorda, Waller, and Wharton.
Waiver contract area 6	Bastrop, Bell, Bosque, Brazos, Burt, Burnet, Caldwell, Coryell, Falls, Fayette, Freestone, Gonzales, Grimes, Guadalupe, Hamilton, Hill, Lampasas, Lee, Leon, Limestone, Madison, McLennan, Milam, Robertson, Travis, Washington, and Williamson.

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
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 Kenmar
OIG	Office of Inspector General
OIG Audit	OIG Audit and Inspections Division
HHSC Residential Checklist	HHSC Waiver Survey and Certification Residential Checklist

Appendix F: Report Team and Distribution

Report Team

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Kenmar Residential HCS Services, Inc.

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- Marsha Ford, Regional Director
- Bill Young, Quality Assurance Director
- Brooksie Parrott, Program Director
- Marcia Ross, Program Director

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

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