



Audit Report

Alamo Area Council of Governments

**Local Intellectual and Developmental
Disability Authority
Performance and Medicaid Contracts**



**Inspector
General**

Texas Health
and Human Services

**July 29, 2020
OIG Report No. AUD-20-013**



HHS OIG
TEXAS HEALTH AND HUMAN
SERVICES
OFFICE OF
INSPECTOR GENERAL

WHY THE OIG CONDUCTED THIS AUDIT

The Texas Health and Human Services (HHS) Office of Inspector General (OIG) Audit and Inspections Division conducted an audit of the Alamo Area Council of Governments (AACOG). This audit includes the review of the local intellectual and developmental disability authority (LIDDA) contract and Medicaid contracts between the Texas Health and Human Services Commission (HHSC) and AACOG during state fiscal year 2019, which were worth a total of more than \$11 million that year.

The audit objectives were to determine whether controls over the contracts ensured (a) individuals enrolled in HCS were assigned service coordinators, obtained timely developed person-directed plans that included the required elements, received the number of contacts prescribed in the PDP; (b) AACOG monitored individuals' service coordination and reported contract funds and expenses in accordance with contract requirements; and (c) documentation existed to support paid encounters.

WHAT THE OIG RECOMMENDS

AACOG should ensure:

- Service coordinators include sufficient information in progress notes to support paid encounters
- PDPs are renewed timely

MANAGEMENT RESPONSE

The OIG Audit and Inspections Division presented the audit results, issues, and recommendations to AACOG in a draft report dated July 9, 2020. AACOG concurred with the recommendations and has provided training and adopted a quality assurance review process to address the findings. AACOG's management responses are included in the report after the recommendations.

For more information, contact:

OIGAuditReports@hhsc.state.tx.us

July 29, 2020

Audit Report

ALAMO AREA COUNCIL OF GOVERNMENTS

*Local Intellectual and Developmental Disability Authority
Performance and Medicaid Contracts*

WHAT THE OIG FOUND

Service coordinators were assigned to each of the sampled 60 individuals who received services through the Home and Community-based Services (HCS) program and service coordination progress notes were maintained for most individuals in the sample. In addition, the total amount of contract expenditures that AACOG reported to HHSC was supported by AACOG's general ledger.

However, AACOG did not always ensure that service coordination progress notes included all required elements and that Person-Directed Plans (PDPs) were renewed timely. Specifically:

- 3 of 60 individuals' progress notes did not include sufficient information to verify service coordination paid encounters. Progress notes are important because they provide confirmation of service coordinators' monitoring of an individual's progress towards desired outcomes in the PDP.
- 6 of 60 individuals did not have a PDP renewed within 30 calendar days prior to the expiration of the prior year's individual plan of care. The timely renewal of a PDP helps ensure information is updated to identify the services needed by the individual to achieve desired outcomes.

BACKGROUND

AACOG operates as a LIDDA under a contract with HHSC. LIDDAs are organizations that serve as the point of entry for publicly funded intellectual and developmental disability (IDD) programs. They screen individuals and enroll those who are eligible into Medicaid programs such as HCS. LIDDAs provide and coordinate services and supports for individuals with intellectual and developmental disabilities and are responsible for monitoring and evaluating service delivery.

HCS is a Medicaid waiver program that supplies services and support to Texans with an intellectual disability or a related condition to assist members with independent living in the community. HCS services are intended to supplement rather than replace services received from other Medicaid programs or from natural supports, including families, neighbors, or community organizations.

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INTRODUCTION

The Texas Health and Human Services (HHS) Office of Inspector General (OIG) Audit and Inspections Division conducted an audit of the Alamo Area Council of Governments (AACOG). AACOG operates as a local intellectual and developmental disability authority (LIDDA) under a contract with the Texas Health and Human Services Commission (HHSC).

LIDDAs are organizations that serve as the point of entry for publicly funded intellectual and developmental disability (IDD) programs. They screen individuals and enroll those who are eligible into Medicaid programs such as Home and Community-based Services (HCS). LIDDAs provide and coordinate services and supports for individuals with intellectual and developmental disabilities and are responsible for monitoring and evaluating service delivery.

HCS is a Medicaid waiver program that supplies services and support to Texans with an intellectual disability or a related condition to assist members with independent living in the community. HCS services are intended to supplement rather than replace services received from other Medicaid programs or from natural supports, including families, neighbors, or community organizations.

This audit included review of the following contracts:

- The LIDDA contract between HHSC and AACOG effective September 1, 2017 which ended on August 31, 2019. The total value of the contract for 2019 was \$5.1 million, of which HHSC's share was \$4.78 million, and AACOG's local match share was \$307,076.
- The Medicaid contracts between HHSC and AACOG effective December 1, 2016, ending on August 31, 2021. The total amount paid by HHSC in 2019 was \$6.01 million.

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

Objective and Scope

The audit objectives were to:

- 1) Determine whether controls over the Interlocal Cooperation Contract¹ ensure:
 - a) Individuals receiving HCS:
 - i) Were assigned a service coordinator
 - ii) Obtained timely written Person-Directed Plans (PDP) that contained all required elements
 - iii) Received the number of contacts as prescribed in the PDP
 - b) AACOG monitored performance of service coordination for individuals
 - c) AACOG reported contract funds and expenses in accordance with contract requirements
- 2) Determine whether controls over the Medicaid Provider Agreement² ensure documentation exists to support paid comprehensive and supportive encounters.³

The audit scope covered the LIDDA and Medicaid contracts between AACOG and HHSC for fiscal year 2019 and included a review of related significant controls and control components.

Methodology

To accomplish these objectives, auditors collected information for this audit through discussions and interviews with management and staff at AACOG and HHSC IDD Services, and through collection and review of individual and financial IDD program records maintained at AACOG.

OIG defined and reviewed the HCS IDD population to include all 2,251 individuals who had paid comprehensive and supportive encounters between September 1, 2018, and August 31, 2019. Auditors selected 60 individuals in the population with at least one of the following risk-based characteristics: (a) billed services after the

¹ HHSC Interlocal Cooperation Contract #529-18-0017-00001 (Sept. 1, 2017), Amendment No. 1 (Sept. 1, 2018), and Amendment No. 2 (Aug. 12, 2019).

² Medicaid Provider Agreement Contract #1028301 and #1019605 Component Code 051 (Dec. 1, 2016).

³ A “comprehensive encounter” is a face-to-face contact with an individual to provide service. A “supportive encounter” is a face-to-face, telephone, or telemedicine contact with an individual or with a collateral on the individual’s behalf to provide service coordination.

individual's death, (b) higher-need individuals with more than four comprehensive encounters, (c) supportive encounters without a comprehensive encounter, or (d) more than 100 supportive encounters.

Auditors reviewed the sample of 60 records for compliance with LIDDA and Medicaid contract requirements specific to the HCS program for the audit scope period. Files for all participants sampled were tested to determine whether each member (a) was assigned a service coordinator, (b) had a written PDP completed timely and containing required elements, (c) received the number of face-to-face contacts stated in the PDP, (d) received monitoring of service coordination, and (e) had a service coordination progress note for each paid comprehensive and supportive encounter.

Auditors also reviewed AACOG's general revenue expense records for 2019 to determine whether expenses were reported in accordance with contract requirements and reconciled to supporting documentation.

The OIG Audit and Inspections Division presented the audit results, issues, and recommendations to AACOG in a draft report dated July 9, 2020. AACOG concurred with the OIG Audit and Inspections Division recommendations and has provided training and adopted a quality assurance review process to address the findings. AACOG's management responses are included in the report after the recommendations.

Criteria

Auditors used the following criteria to evaluate the information provided:

- 40 Tex. Admin. Code § 2.556 (2016)
- 40 Tex. Admin. Code § 2.561 (2004)
- 40 Tex. Admin Code § 9.166 (2016)
- HHSC Interlocal Cooperation Contract #529-18-0017-00001 (2017), Amendment No. 1 (2018), and Amendment No. 2 (2019)
- Medicaid Provider Agreement Contract #1028301 and #1019605 Component Code 051 (2016)
- HHSC, "Explanation of Services and Supports: Intellectual and Developmental Disabilities," <https://hhs.texas.gov/sites/default/files/documents/doing-business-with-hhs/providers/long-term-care/lidda/iddserviceseng.pdf> (2019)

- HHSC, “Billing Guidelines for Targeted Case Management,”
<https://hhs.texas.gov/sites/default/files//documents/doing-business-with-hhs/providers/long-term-care/lidda/tcmbillingguidelines.pdf> (2011)
- HHSC, “Home and Community-based Services Program Handbook,”
<https://hhs.texas.gov/laws-regulations/handbooks/home-community-based-services-handbook> (2010)

Auditing Standards

Generally Accepted Government Auditing Standards

The OIG Audit and Inspections Division conducted this audit in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the issues and conclusions based on our audit objectives. The OIG Audit and Inspections Division believes the evidence obtained provides a reasonable basis for our issues and conclusions based on our audit objectives.

AUDIT RESULTS

AACOG ensured that service coordinators were assigned to each of the sampled 60 individuals who received services through the HCS program and service coordination progress notes were maintained for most individuals in the sample. In addition, the total amount of contract expenditures that AACOG reported to HHSC was supported by AACOG's general ledger, as required by the contract.

However, AACOG did not always ensure that service coordination progress notes included all required elements and that PDPs were renewed timely. Specifically:

- 3 of 60 individuals' progress notes did not include sufficient information to verify service coordination paid encounters. Of the 3,171 progress notes reviewed for the 60 individuals sampled, 15 progress notes (less than 1 percent) did not meet billing guidelines for targeted case management. Progress notes are important because they provide evidence of a service coordinator's monitoring of an individual's progress towards desired outcomes in the PDP.
- 6 of 60 individuals did not have a PDP renewed within 30 calendar days prior to the expiration of the prior year's individual plan of care, as required.⁴ Of the 109 PDPs reviewed for the 60 individuals, 6 individuals (10 percent) had PDPs that ranged between 6 and 23 days past the required renewal date. Timely renewal of a PDP helps ensure information is updated to identify the services needed by the individual.

AACOG service coordinators use the person-directed planning process, which empowers an individual and the legally authorized representative on the individual's behalf to direct the development of a plan of services and supports. The results of the person-directed planning process are documented in the PDP and include the types of services and support needed to meet the individual's personal outcomes (preferences and needs).⁵ PDPs must be updated annually at the time of the individual plan of care renewal.^{6,7}

The individual plan of care contains the unit amount of HCS services needed by the individual to achieve desired outcomes. The individual, the service coordinator, and

⁴ An "individual plan of care" is a written plan that states the type and amount of each HCS and non-HCS services and supports provided to an individual authorized by HHSC.

⁵ Home and Community-based Services Handbook, § 2120, (June 1, 2010).

⁶ Home and Community-based Services Handbook, § 4000, "PDP Update for IPC Renewal" (Sept 3, 2013).

⁷ 40 Tex. Admin. Code § 9.166 (a) (March. 20, 2016).

the HCS provider use the PDP to develop the individual plan of care.⁸ HCS services include dental treatment, nursing, residential assistance, respite, and day habilitation.⁹ Service coordinators are also responsible for documenting an individual's progress toward desired outcomes, monitoring the delivery of services, and determining the individual's health or safety in the home or community.¹⁰

Issues related to service coordinator progress note billings and timeliness of PDP renewals are detailed in the sections that follow. In addition to these issues, auditors communicated other, less significant issues separately in writing to AACOG's management.

Issue 1: Service Coordination Progress Notes Did Not Always Meet Billing Guidelines

Billing guidelines for targeted case management¹¹ require that service coordination encounters be documented in a progress note. A progress note must include the type of service coordination activity provided, an acceptable description of the encounter, and cannot be copied from previous visits.¹² Progress notes contain written information from the service coordinator's monitoring of an individual's progress towards the outcomes established in the PDP.¹³

AACOG's progress notes did not always include sufficient information to verify service coordination for paid encounters. Of the 3,171 progress notes reviewed for the 60 individuals sampled, 15 progress notes did not meet billing guidelines for targeted case management.

⁸ Home and Community-based Services Handbook, § 1200 (June 1, 2010).

⁹ HHSC, "Explanation of Services and Supports: Intellectual and Developmental Disabilities," <https://hhs.texas.gov/sites/default/files/documents/doing-business-with-hhs/providers/long-term-care/lidda/iddserviceseng.pdf> (2019).

¹⁰ Home and Community-based Services Handbook, § 2140, (June 1, 2010).

¹¹ Case management consists of services which help beneficiaries gain access to needed medical, social, educational, and other services. "Targeted" case management services are those aimed specifically at special groups of enrollees such as those with developmental disabilities or chronic mental illness.

¹² HHSC, "Billing Guidelines for Targeted Case Management," § 14 (Nov. 1, 2011) <https://hhs.texas.gov/sites/default/files/documents/doing-business-with-hhs/providers/long-term-care/lidda/tcmbillingguidelines.pdf> (accessed May 28, 2020).

¹³ Home and Community-based Services Handbook, § 2140, (June 1, 2010).

Table 1 shows paid encounters with progress notes that did and did not meet billing guidelines for targeted case management.

Table 1: Progress Notes Reviewed by Encounter Type

	Comprehensive Encounter	Supportive Encounter	Total Progress Notes Reviewed
No Issues	567	2,589	3,156
Issues Identified	4	11	15
Total	571	2,600	3,171

Source: OIG Audit Division Analysis of Information Provided by AACOG

In total, 3 of the 60 individuals (5 percent) did not have progress notes that included sufficient information to verify service coordination for paid comprehensive and supportive encounters. Table 2 shows the number of individuals and the number of instances in which progress notes did not meet billing guidelines for targeted case management.

Table 2: Individuals with Progress Notes Exceptions

Individual	Encounter Type	No. of Instances	Billing Guidelines for Targeted Case Management
1	comprehensive	4	Progress note statement was identical to other written narratives
1	supportive	8	Progress note statement was identical to other written narratives
2	supportive	2	Progress note did not include a service coordination activity
3	supportive	1	Progress note is missing
Total		15	

Source: OIG Audit Division Analysis of Information Provided by AACOG

Certain progress notes did not meet billing guidelines for targeted case management because (1) the notes were identical to other written narratives, (2) the notes did not include an activity that met the definition of service coordination or (3) the progress note was missing.

Recommendation 1

AACOG should ensure that service coordination progress notes meet the requirements of billing guidelines for targeted case management by ensuring service coordinator notes exist and include the information necessary to support service coordination paid comprehensive and supportive encounters.

Management Response

Action Plan

1. *The service coordination team was trained on July 15, 2020 regarding required content for billable direct service notes. The Service Coordinator will meet with the individual/legally authorized representative to discuss waiver and non-waiver services. Service Coordinator will document on progress note services rendered to individual to meet targeted case management billable standards. The supervisor will review and approve direct service notes in the electronic health record, direct services notes not meeting expectation will be rejected and sent back to Service Coordinator for correction.*
2. *The Quality Assurance Specialist will review a Home and Community-based Services (HCS) program sample of 30 each month to review for compliance with and accurate reporting of targeted case management services on direct service notes and ensure that PDPs are renewed timely. The Quality Assurance Specialist will provide a written report of finding along with an Internal Corrective Action Plan request form to the program, for review and appropriate action or correction when non-compliance is identified. Staff will then make necessary corrections and submit evidence of those corrections to the QA Specialist; staff will have 30 days to submit evidence of the corrections.*

Responsible Managers

1. *Waiver Services Manager and Community Engagement Manager*
2. *Quality Assurance Specialists*

Target Implementation Date

1. *7/30/2020 and ongoing*
2. *Ongoing*

Issue 2: Person-Directed Plans Were Not Always Developed Timely

The Texas Administrative Code establishes timelines related to the renewal of an individual's plan of care, and their PDP. An individual's PDP must be renewed prior to updating the plan of care, which must occur 30 days before the expiration of that plan of care.¹⁴ Timely renewal of a PDP helps ensure information is updated to identify the services needed by the individual to achieve desired outcomes.¹⁵

¹⁴ 40 Tex. Admin. Code § 9.166(a) (Mar. 20, 2016).

¹⁵ Home and Community-based Services Handbook, § 1200, (June 1, 2010).

AACOG did not always renew PDPs timely. The 60 individuals' records reviewed contained 109 PDPs. Of the 109 PDPs reviewed for the 60 individuals, 6 individuals had PDPs that ranged between 6 and 23 days past the required renewal date, as shown in Table 3.

Table 3: Number of Days Past the Required Renewal Date

Individual	Number of Days Late
1	6
2	23
3	10
4	12
5	12
6	19

Source: OIG Audit Division Analysis of Information Provided by AACOG

Recommendation 2

AACOG should ensure PDPs are renewed at least 30 calendar days prior to the expiration of the prior year individual plan of care for each individual receiving services in the HCS program.

Management Response

Action Plan

1. *The Service Coordination team was trained on July 15, 2020 on timelines for PDP development. Moving forward Service Coordinators will utilize CARE Screen L64 to track Individual Plan of CARE (IPC) End Dates to update Annual PDPs at least 30 days prior to the expiration of the IPC. The supervisor will review deadlines for meeting IPC expirations during ongoing supervision meetings.*
2. *The Quality Assurance Specialist will review a Home and Community-based Services (HCS) program sample of 30 each month to review for compliance with and accurate reporting of targeted case management services on direct service notes and ensure that PDPs are renewed timely. The Quality Assurance Specialist will provide a written report of finding along with an Internal Corrective Action Plan request form to the program, for review and appropriate action or correction when non-compliance is identified. Staff will then make necessary corrections and submit evidence of those corrections to the QA Specialist; staff will have 30 days to submit evidence of the corrections.*

Responsible Managers

1. *Waiver Services Manager and Community Engagement Manager*
2. *Quality Assurance Specialists*

Target Implementation Date

1. *7/30/2020 and ongoing*
2. *Ongoing*

CONCLUSION

AACOG ensured that service coordinators were assigned to each of the 60 individuals tested who received services through the HCS program and service coordination progress notes were maintained for most individuals in the sample. In addition, the total expenditure amount in AACOG's contract funds reconciled to the total expenditure amount in AACOG's general ledger.

However, AACOG should improve its processes to ensure service coordination progress notes meet billing guidelines for targeted case management and PDPs are renewed timely. Specifically, service coordination progress notes did not meet billing guidelines for targeted case management for 3 of 60 individuals in the sample.

In addition, PDPs were developed for each of the 60 individuals in the sample. However, 6 of 60 individuals did not have a PDP renewed at least 30 calendar days prior to the expiration of the prior year's individual plan of care.

The OIG Audit and Inspections Division offered recommendations to AACOG, which, if implemented, may ensure:

- Progress notes exist and include the information necessary to support service coordination paid comprehensive and supportive encounters.
- PDPs are renewed at least 30 calendar days prior to the expiration of the prior year individual plan of care for each individual receiving services in the HCS program.

The OIG Audit and Inspections Division thanks management and staff at AACOG for their cooperation and assistance during this audit.

Appendix A: 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 VerColen, CPA, Assistant Deputy Inspector General of Audit and Inspections
- Joel A. Brophy, CIA, CFE, CRMA, Audit Director
- Priscilla Suggs, CPA, CIA, CFE, Audit Manager
- Yania Munro, CFE, CGAP, Project Manager
- Lorraine Chavana, CFE, Senior Auditor
- Summer Grubb, CGAP, Senior Auditor
- Karen Reed, CFE, CIGA, Senior Auditor
- Marcos Castro, Staff Auditor
- Michael Martinez, Staff Auditor
- Mo Brantley, Senior Audit Operations Analyst
- Julia Youssefnia, CPA, Quality Control Reviewer
- Toni Gamble, Quality Control Reviewer

Report Distribution

Health and Human Services

- Phil Wilson, Acting Executive Commissioner
- Maurice McCreary, Jr., Chief Operating Officer
- Victoria Ford, Chief Policy and Regulatory Officer
- Karen Ray, Chief Counsel
- Michelle Alletto, Chief Program and Services Officer
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- Stephanie Stephens, State Medicaid Director, Medicaid and CHIP Services
- Katherine Scheib, Deputy Associate Commissioner, Medicaid and CHIP Services
- Sonja Gaines, Deputy Executive Commissioner, IDD – Behavioral Health Services
- Haley Turner, Associate Commissioner, IDD Services
- Roderick Swan, Associate Commissioner, IDD – Behavioral Health Contract Operations
- Jennifer D. Miller, Director IDD – Behavioral Health Contract Operations

AACOG

- Diane Rath, Executive Director
- John Clamp, Chief Financial Officer
- Stella Garcia, Senior Director of Operations
- Clifford C. Herberg Jr., General Counsel and Senior Director
- Jacob Ulczynski, Senior Director of IDDS and Agency Coordination
- Norma Perez, Waiver Services Manager
- Corina Arauza, Community Engagement Manager
- Trudy Garcia, Quality Assurance Specialist
- Crystal Ramirez, Quality Assurance Specialist

Appendix B: 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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- Email: OIGCommunications@hhsc.state.tx.us
- Mail: Texas Health and Human Services
Office of Inspector General
P.O. Box 85200
Austin, Texas 78708-5200
- Phone: 512-491-2000