

Audit Report

The Visiting Nurse Association of Texas

**A Texas Home-Delivered Meals
Program Provider**



**Inspector
General**

Texas Health
and Human Services

**November 16, 2021
OIG Report No. AUD-22-005**



HHS OIG

TEXAS HEALTH AND HUMAN SERVICES

OFFICE OF INSPECTOR GENERAL

November 16, 2021

Audit Report

THE VISITING NURSE ASSOCIATION OF TEXAS

A Texas Home-Delivered Meals Program Provider

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 the Visiting Nurse Association of Texas (VNA). During the audit scope, which covered the period from October 1, 2019, through December 31, 2020, HHSC paid VNA \$5.31 per meal, totaling some \$2.5 million for 479,431 meals.

The audit objective was to determine if VNA provided and billed for services in compliance with selected requirements.

WHAT OIG RECOMMENDS

VNA should strengthen its processes and controls related to:

- Initiating home-delivered meal services to new participants within the required time frame.
- Notifying the Texas Health and Human Services Commission (HHSC) when it is not able to initiate services within the required time frame.
- Billing for undelivered meals.
- Notifying HHSC within the required time frame when a participant has undelivered meals on two consecutive service days or three nonconsecutive service days within a month.

Additionally, VNA should (a) repay the state of Texas \$132.75 and (b) work with HHSC to determine if additional repayment is required for potential overbilling for home-delivered meal services.

MANAGEMENT RESPONSE

VNA agreed with the audit recommendations and indicated corrective actions would be fully implemented by December 2021.

For more information, contact:
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WHAT OIG FOUND

The Visiting Nurse Association of Texas (VNA) had processes in place and complied with certain selected requirements of the Home-Delivered Meals program administered by the Texas Health and Human Services Commission (HHSC).

However, VNA did not always comply with certain requirements related to initiation of home-delivered meal services and billing and communication to HHSC for meals that could not be delivered. Specifically, VNA did not consistently:

- Initiate home-delivered meal services for new participants within the required time frame.
- Notify HHSC within the required time frames when services did not begin within ten calendar days for certain new participants.
- Communicate timely with HHSC regarding unsuccessful delivery attempts.

Additionally, VNA overbilled HHSC for meals that could not be delivered.

VNA should return a total of \$132.75 to the state of Texas and work with HHSC to determine if there were additional instances of overbilling for home-delivered meal services that require repayment.

BACKGROUND

VNA is a non-profit organization located in Dallas, Texas. VNA's Meals on Wheels division operates as a Home-Delivered Meals program provider under a community services contract with HHSC. Payments for services under this contract were based on established per meal rates and were funded by Title XX of the Social Security Act.

For federal fiscal years 2020 and 2021, the contract budget for VNA was approximately \$2.2 million per year.

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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 the Visiting Nurse Association of Texas (VNA), which is a non-profit organization located in Dallas, Texas. VNA's Meals on Wheels division operates as a Home-Delivered Meals program provider¹ under a community services contract with the Texas Health and Human Services Commission (HHSC).² Payments for services under this contract were based on established per meal rates and were funded by Title XX of the Social Security Act.

For federal fiscal years 2020 and 2021,³ the contract budget for VNA was approximately \$2.2 million per fiscal year.

During the audit scope, which covered the period from October 1, 2019, through December 31, 2020, HHSC paid VNA for 479,431 meals delivered to 2,154 program participants. HHSC paid \$5.31 to VNA for each meal delivered, totaling approximately \$2.5 million. Table 1 provides additional details about these amounts.

Table 1: Amount HHSC Paid to VNA

Period Covered	Meals Delivered	Total Paid to VNA
October 1, 2019, through September 30, 2020	373,391	\$1,982,708
October 1, 2020, through December 31, 2020	106,040	563,072
Total	479,431	\$2,545,780

Source: OIG Audit, based on data provided by HHSC

Objective and Scope

The audit objective was to determine if VNA provided and billed for services in compliance with selected requirements.

The audit scope covered the period from October 1, 2019, through December 31, 2020. The audit included a review of VNA's system of internal controls as well as testing of controls that were significant within the context of the audit objective.

¹ A Home-Delivered Meals program provider delivers meals to eligible individuals in accordance with contractual and Texas Administrative Code requirements.

² Texas Department of Human Services (now part of HHSC), "Contract for Community Care Programs," Vendor #CCAD-000154300 (Oct. 1, 1999), as amended.

³ Federal fiscal years cover the period from October 1 through September 30.

Management Responses

OIG Audit presented audit results, issues, and recommendations to VNA in a draft report dated October 29, 2021. VNA agreed with the audit recommendations and indicated corrective actions would be fully implemented by December 2021. VNA's management responses are included in the report following each recommendation.

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

VNA had processes in place and complied with certain selected requirements of the Home-Delivered Meals program administered by HHSC. Specifically, VNA:

- Implemented changes to the number of meals delivered within the required time frame.
- Delivered meals to participants as assigned.
- Resolved complaints in a timely manner.
- Monitored and documented food temperatures within the required ranges for hot and frozen meals.
- Ensured menus were approved by a credentialed dietitian.

However, VNA did not always comply with certain requirements related to (a) initiation of home-delivered meal services and (b) communication to HHSC for meals that could not be delivered. Specifically, VNA did not consistently:

- Initiate home-delivered meal services for new participants within the required ten-day time frame.
- Notify HHSC within required time frames when services did not begin within ten calendar days for certain new participants.
- Communicate timely with HHSC regarding unsuccessful delivery attempts.

Additionally, VNA overbilled HHSC for meals that could not be delivered.

VNA should return a total of \$132.75 to the state of Texas and work with HHSC to determine if there were additional instances of overbilling for home-delivered meal services that require repayment.

OIG Audit recognizes the unique challenges that VNA faced as a result of COVID-19, which occurred during most of the audit scope period.

INITIATION OF HOME-DELIVERED MEAL SERVICES

Home-Delivered Meals program providers are required to make the first meal delivery to new participants within ten calendar days from the effective date of the HHSC referral. If a provider is unable to begin services within the ten-day period, it must notify HHSC by the eleventh calendar day or the first working day after the eleventh calendar day.⁴

Issue 1: VNA Did Not Always Initiate Home-Delivered Meal Services to New Participants Timely

For 22 of 30 (73 percent) new program participants tested, VNA did not initiate home-delivered meal services within the required time frame or notify HHSC timely that services did not begin within ten calendar days. VNA delivered the first meal to the 22 new program participants between one and 96 days after the required time frame. HHSC was notified of VNA's inability to contact 2 of the 22 selected new program participants for whom VNA did not initiate home-delivered meals services within ten calendar days.

VNA did not have adequate controls in place to (a) ensure the delivery of meals to new program participants was initiated timely or (b) notify HHSC within the required time frame of participants for whom it could not begin services before the initiation deadline. VNA asserted that the issue was caused by human error. VNA also asserted that HHSC assigned an unusually large number of new participants to VNA in spring and summer 2020, which created challenges in completing the service initiation process for the newly assigned participants during that time frame.

In emergency situations, providers are allowed to deliver frozen, chilled, or shelf-stable meals to participants in order to deliver the required weekly meals in fewer than five deliveries per week.^{5,6} Since the beginning of the COVID-19 pandemic in March 2020, VNA has been delivering meals to participants only two days per week, which increases the risk that the first delivery will not occur by the tenth day from the effective date provided by HHSC. For example, depending on the day of the week in which the initiation process was finalized and VNA was ready to begin delivering meals, new program participants may have waited up to five days for the next delivery date to occur to provide the first meals.

⁴ 40 Tex. Admin. Code § 55.25 (Mar. 1, 2004).

⁵ 40 Tex. Admin. Code § 55.21 (Mar. 1, 2004).

⁶ 40 Tex. Admin. Code § 55.5(c)(1) (Sep. 1, 2014).

By not following time frame requirements for both initiating home-delivered meal services and notifying HHSC that services were not initiated, VNA increased the risk of participants not receiving necessary nutritional meals promptly.

Recommendation 1

VNA should strengthen its processes and controls to ensure it:

- Initiates home-delivered meal services to newly assigned participants within the required time frame.
- Notifies HHSC if it is not able to initiate services within the required time frame.

Management Response

Action Plan

To initiate home-delivered meal services to newly assigned participants within the required time frame, VNA has adjusted the structure at the VNA Meals on Wheels Office for its intake staff and created a new group whose sole work will be to manage all that is involved with Title XX or HHSC clients referred to us for service. This new structure will allow staff to focus on the process and controls related to the onboarding of Title XX clients, as well as communicating back to HHSC if we are not able to initiate services.

This focused approach will give the staff more time and resources to make sure that we meet all requirements related to Title XX referrals and clients.

Responsible Managers

- *The VNA Director of Meal Deliveries and Logistics will have direct day-to-day responsibilities to manage this new group.*
- *The VNA Managing Director of Meals on Wheels & Population Health will oversee the transition and implementation of this group.*

Target Implementation Date

December 1, 2021

UNSUCCESSFUL DELIVERY ATTEMPTS

When unsuccessful attempts to deliver meals to participants occur, Home-Delivered Meals program providers may be reimbursed for up to two failed deliveries per participant per month if (a) a meal delivery is attempted, (b) the participant or responsible party is not home to accept the delivery, and (c) the participant's services were not suspended or terminated on the dates of the failed deliveries.⁷

Home-Delivered Meals program providers must document each applicable meal as undelivered and include the reason the meal could not be delivered. Additionally, when there are unsuccessful delivery attempts for either two consecutive service days or three nonconsecutive service days within a month, Home-Delivered Meals program providers must notify HHSC within one working day after the last missed delivery.⁸

Issue 2: VNA Did Not Always Comply with Requirements for Unsuccessful Delivery Attempts

VNA did not (a) adhere to the required maximum billing for two unsuccessful delivery attempts per participant per month or (b) notify HHSC when there were unsuccessful delivery attempts on two consecutive service days or three nonconsecutive service days within a month.

Billing for Unsuccessful Delivery Attempts

For 10 of 38 (26 percent) monthly billings to HHSC for selected participants, VNA overbilled for a total of 25 meals. Based on the \$5.31 per meal price, the total overpayment for the sample is \$132.75.

For 9 of the 10 (90 percent) participants with billing exceptions, which account for 23 of the 25 (92 percent) overbilled meals, the overbillings occurred because VNA exceeded the allowable billing limit of two failed deliveries per participant per month. VNA staff asserted that they misinterpreted the requirement, which led to billing HHSC for a greater number of unsuccessful delivery attempts than the maximum allowable two per participant per month. Auditors were unable to determine the cause for overbilled meals for two of ten participants, one of whom is also included in the nine participants who had missed deliveries.

VNA did not have a process in place to ensure that a maximum of two unsuccessful delivery attempts were billed to HHSC per participant per month. As a result, there

⁷ 40 Tex. Admin. Code § 55.41(c) (June 12, 2014).

⁸ 40 Tex. Admin. Code § 55.27 (June 12, 2014).

is an increased risk that additional overbillings for unsuccessful delivery attempts occurred.

Notification of Unsuccessful Delivery Attempts

For those 38 participants' selected monthly billings to HHSC, auditors identified 15 participants' monthly billings to HHSC that had unsuccessful delivery attempts on two consecutive service days or three nonconsecutive service days within the selected month. For those 15 participants, VNA could not provide support to demonstrate that HHSC was notified when there were unsuccessful delivery attempts on two consecutive service days or three nonconsecutive service days within a month. VNA did not have a process in place to (a) identify instances of unsuccessful delivery attempts on two consecutive service days or three nonconsecutive service days within a month or (b) notify HHSC when required.

Notification of two consecutive unsuccessful delivery attempts or three unsuccessful delivery attempts within a month allows HHSC to determine the need to assess the participant's situation and continued need for home-delivered meals. Notification of unsuccessful delivery attempts allows HHSC to appropriately assess and make any necessary adjustments to approved home-delivered meal services, as needed.

Recommendation 2

VNA should:

- Repay the state of Texas a total of \$132.75.
- Develop and implement a process to (a) identify and track unsuccessful delivery attempts, (b) ensure unsuccessful delivery attempts are appropriately billed to HHSC, and (c) ensure that HHSC is notified within the required time frame when there are two consecutive unsuccessful delivery attempts or three unsuccessful delivery attempts within a month for a participant.
- Work with HHSC to determine if there were additional instances of overbilling for home-delivered meal services that require repayment.

Management Response

Action Plan

1. *VNA will process a payment by check to HHSC the week of November 15, 2021.*
2. *VNA has set up a process for tracking missed deliveries and 2067s for Title XX clients and a concurrent reporting mechanism. Via our Netsmart client record system, VNA has updated the 2 Day Missed Consecutive Deliveries report to include the Intake Specialist responsible for the client and payer. Intake specialists will be adding a daily task for Title XX clients in Netsmart to include date information, as well as a due date for the 2067 to be faxed to the HHSC caseworker. Then the Intake Specialist will update the task with the steps they have taken to call the client and any scheduling or status updates made to the client because of this communication. They will also produce a 2067 electronically from the Netsmart database at that time, as well as adding completion information on the successful fax of the 2067. This process will be reviewed and monitored on a weekly basis by the directors listed below to ensure that timely response is occurring.*
3. *VNA will work with our HHSC regional managers to review instances of overbilling and determine if any further repayment of funds is required. We will pull data associated with meals delivered and bills submitted during the time frame October 1, 2019, through December 31, 2020.*

Responsible Managers

- *The VNA Director of Meal Deliveries and Logistics will have direct day-to-day responsibilities to manage this new group.*
- *The VNA Managing Director of Meals on Wheels & Population Health will oversee the transition and implementation of this group.*
- *The VNA Vice President and Chief Financial Officer will oversee the accounting/billing process to determine if there are any additional instances of overbilling.*

Target Implementation Date

December 31, 2021

Appendix A: Methodology, Data Reliability, Sampling, and Criteria

Methodology

OIG Audit issued an engagement letter to VNA on April 20, 2021, to provide information about the audit and conducted fieldwork from April 21, 2021, through September 14, 2021.

To accomplish the audit objective, auditors conducted interviews with VNA management and staff and reviewed:

- The contract between HHSC and VNA.
- VNA policies and procedures related to delivery and billing of home-delivered meals, meal temperature requirements, and development and approval of menus.
- VNA's system of internal controls, including components of internal control,⁹ significant within the context of the audit objective.
- Supporting documentation, including but not limited to, delivery and billing reports, complaint logs, home-delivered meal menus, and temperature logs.

Data Reliability

To assess the reliability of data related to active participants, meal deliveries to homes, paid home-delivered meal services, unsuccessful delivery attempts, and participant complaints, auditors (a) analyzed the data sets and query language for reasonableness and completeness, (b) reviewed existing information about the data and compared it to outside sources, and (c) interviewed HHSC and VNA staff who were knowledgeable about the data. OIG Audit made the following determinations regarding the reliability of the data sets:

- The populations of participants assigned to VNA and paid meals during the scope period that were obtained from HHSC were sufficiently reliable for the purposes of this audit.
- The populations of home-delivered meals service changes, meals delivered, and unsuccessful delivery attempts during the audit scope were of

⁹ 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).

undetermined reliability; however, the data provided was the best source of data available for the purposes of this audit.

- The population of complaints received by VNA during the scope period was sufficiently reliable for the purposes of this audit.

Sampling Methodology

Auditors selected nonstatistical samples, primarily through random and risk-based selections, related to (a) the initiation of home-delivered meal services, (b) the delivery and billing of home-delivered meals, (c) home-delivered meals that were undeliverable, (d) temperature logs, and (e) home-delivered meal menus. The sample items were generally not representative of the populations; therefore, it would not be appropriate to project the test results to the populations.

Auditors did not use a sampling methodology for testing changes to home-delivered meal services and participant complaint resolution; instead, auditors performed selected testing on the complete populations identified. Therefore, auditors did not need to project testing results to the populations.

Criteria

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

- 40 Tex. Admin. Code §§ 49 (2018) and 55 (2004 through 2014)
- Texas Department of Human Services (now part of HHSC), “Contract for Community Care Programs,” Vendor #CCAD-000154300 (1999), as amended

Appendix B: Report Team and Distribution

Report Team

OIG staff members who contributed to this audit report include:

- Kacy J. VerColen, CPA, Deputy Inspector General of Audit and Inspections
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- Amy Adler, CPA, CFE, Audit Director
- Kenneth Johnson, CPA, CIA, CISA, Audit Project Manager
- James Hicks, CISA, Senior Auditor
- JoNell Abrams, CFE, Staff Auditor
- Erin Powell, Quality Assurance Reviewer
- Patrick Smith, CIA, CRMA, Quality Assurance Reviewer
- Ashley Rains, CFE, Senior Audit Operations Analyst

Report Distribution

Health and Human Services

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- Kate Hendrix, Chief of Staff
- Maurice McCreary, Jr., Chief Operating Officer
- Jordan Dixon, Interim Chief Policy and Regulatory Officer
- Karen Ray, Chief Counsel
- Michelle Alletto, Chief Program and Services Officer
- Nicole Guerrero, Director of Internal Audit
- Wayne Salter, Deputy Executive Commissioner, Access and Eligibility Services

Visiting Nurse Association of Texas

- Katherine Krause, President and CEO
- Carlton Holland, Vice President and Chief Financial Officer
- Chris Culak, Vice President and Chief of Strategy and Development

- Thomas Ricciardelli, Vice President and General Counsel
- Aaron Richey, Director of Meal Deliveries and Logistics
- Inga Wilson, Managing Director of Meals on Wheels & Population Health

Appendix C: 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
- Audrey O'Neill, Principal Deputy Inspector General, Chief of Audit and Inspections
- Susan Biles, Chief of Staff, Chief of Policy and Performance
- Dirk Johnson, Chief Counsel
- Christine Maldonado, Chief of Operations and Workforce Leadership
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