

Audit Report

Selected Memory Care Facilities

Village Green Alzheimer's Care Home –
Cypress

February 28, 2022
OIG Report No. AUD-22-005



Selected Memory Care Facilities

Village Green Alzheimer's Care Home – Cypress

Results in Brief

Why OIG Conducted This Audit

The Texas Health and Human Services Office of Inspector General Audit and Inspections Division (OIG Audit) conducted an audit of Village Green Alzheimer's Care Home – Cypress (Village Green – Cypress) an assisted living facility licensed by Texas Health and Human Services Commission (HHSC). OIG Audit's annual risk assessment included identification of risks regarding assisted living facilities advertising as providing memory care services without disclosing whether the facility holds a certification to serve residents with Alzheimer's disease.

Summary of Review

The objective of the audit was to determine whether Village Green – Cypress, advertising as a memory care facility, provided services and operated in compliance with applicable laws, rules, and guidelines.

The audit scope was limited to facility certification status, site conditions and related health and safety documentation as of the on-site facility visit.

Conclusion

Village Green-Cypress complied with most of the selected HHSC health and safety requirements during OIG Audit's unannounced site visit; however, it did not comply with all requirements. Most significantly, it advertised as a facility providing specialized services to residents who have Alzheimer's disease when it was not certified to do so.

Key Results

At the time of the audit, Village Green – Cypress was seeking, but had not yet attained, certification as an Alzheimer's facility from HHSC. The requirements for licensing and certification include:



All assisted living facilities in Texas **must be licensed** by HHSC.



Depending on how they **advertise, market, or promote** available services, assisted living facilities may need to be **certified** by HHSC as providing specialized care to individuals with Alzheimer's disease or related disorders.



Assisted living facilities advertising, marketing, or promoting **memory care services** must disclose whether they are certified.



Assisted living facilities advertising, marketing, or promoting **Alzheimer's care services** must be certified.

Source: OIG Audit

Background

HHSC licenses and certifies assisted living facilities in Texas.

At the time of the audit, Village Green – Cypress was one of seven Village Green Alzheimer's Care home assisted living facilities. All other licensed Village Green facilities are certified to serve individuals with Alzheimer's disease or related disorders. HHSC licensed Village Green – Cypress to serve up to 16 individuals. At the time of the audit, the facility was seeking an Alzheimer's certification from HHSC for the entire facility capacity (16 residents).

Management Response

OIG Audit presented preliminary audit results, issues, and recommendations to Village Green – Cypress in a draft report dated February 10, 2022. Village Green – Cypress agreed with the audit recommendations and asserted corrective actions had already been implemented. Village Green – Cypress's management responses are included in the report following each recommendation.

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The facility fully complied with health and safety requirements concerning interior conditions of resident rooms and common areas, as well as medication storage. However, Village Green – Cypress did not comply with the following requirements:

- Although it was not an HHSC-certified provider of Alzheimer's care, the facility has used "Alzheimer's Care" in its name since 2017. Additionally, on the day of the on-site visit the facility had a disclosure posted indicating it was a freestanding Alzheimer's/dementia facility. Presenting itself as an Alzheimer's facility without being certified increased the risk that residents and their families erroneously believed the facility was certified to provide specialized care to individuals with Alzheimer's or related disorders. HHSC certified the facility as an Alzheimer's Care facility on February 24, 2022, the date the facility provided an updated fire marshal inspection to HHSC and also responded to this audit.
- It did not screen facility visitors sufficiently to comply with COVID-19 emergency rules. While a facility employee took each auditor's temperature upon entry, the employee did not assess auditors against the remainder of the screening criteria and did not document all the required information in a log. HHSC requires a facility to document all visitors in a written log kept at the entrance to the facility. These omissions increase the risk that staff will expose residents, colleagues, and others to COVID-19.
- It did not maintain an up-to-date emergency preparedness and response plan. The facility had an emergency preparedness and response plan on-site, but it did not include evidence of review within the previous year or as a result of the Texas winter storm event in February 2021. An assisted living facility must develop and maintain a written emergency preparedness and response plan, which it must review, and document its review, at least annually and after a significant event and document updates to the plan, when necessary.

Recommendations

When applicable in the future, Village Green should not advertise as an Alzheimer's facility or indicate the facility is a freestanding Alzheimer's/dementia facility until certified by HHSC. Additionally, the facility should (a) conduct all required screening for facility visitors in accordance with HHSC guidance and ensure employees are trained to perform infection control procedures, and (b) develop a process to ensure the emergency preparedness and response plan is complete and reviewed annually or after a significant event and updated as needed.

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Audit Overview

Overall Conclusion

The Texas Health and Human Services (HHS) Office of Inspector General (OIG) Audit and Inspections Division (OIG Audit) conducted an audit of Village Green Alzheimer’s Care Home – Cypress (Village Green – Cypress), an assisted living facility licensed by Texas Health and Human Services Commission (HHSC) to serve up to 16 individuals. Village Green-Cypress complied with most of the selected HHSC health and safety requirements during OIG Audit’s unannounced site visit. The facility fully complied with health and safety requirements concerning interior conditions of resident rooms and common areas, as well as medication storage.

However, Village Green – Cypress did not comply with all requirements. Most significantly, it advertised as a facility providing specialized services to residents who have Alzheimer’s disease or related disorders, yet it was not a certified provider of Alzheimer’s care. HHSC certified the facility as an Alzheimer’s Care facility on February 24, 2022. Additionally, the facility did not fully comply with COVID-19 emergency rules or review and update an emergency preparedness and response plan.

Audit issues identified in this report may be subject to administrative enforcement measures,¹ including administrative penalties.²

The “Detailed Audit Results” section of this report presents additional information about the audit results. OIG Audit presented preliminary audit results, issues, and

Objective

The objective of the audit was to determine whether Village Green – Cypress, advertising as a memory care facility, provided services and operated in compliance with applicable laws, rules, and guidelines.

Scope

The audit scope was limited to facility certification status, site conditions and related health and safety documentation as of the November 16, 2021, on-site facility visit.

¹ 1 Tex. Admin. Code § 371.1603 (May 20, 2020).

² 26 Tex. Admin. Code § 553.751 (Aug. 31, 2021).

recommendations to Village Green – Cypress in a draft report dated February 10, 2022. Village Green – Cypress agreed with the audit recommendations and asserted corrective actions had already been implemented. Village Green – Cypress’s management responses are included in the report following each recommendation.

OIG Audit thanks management and staff at Village Green – Cypress for their cooperation and assistance during this audit.

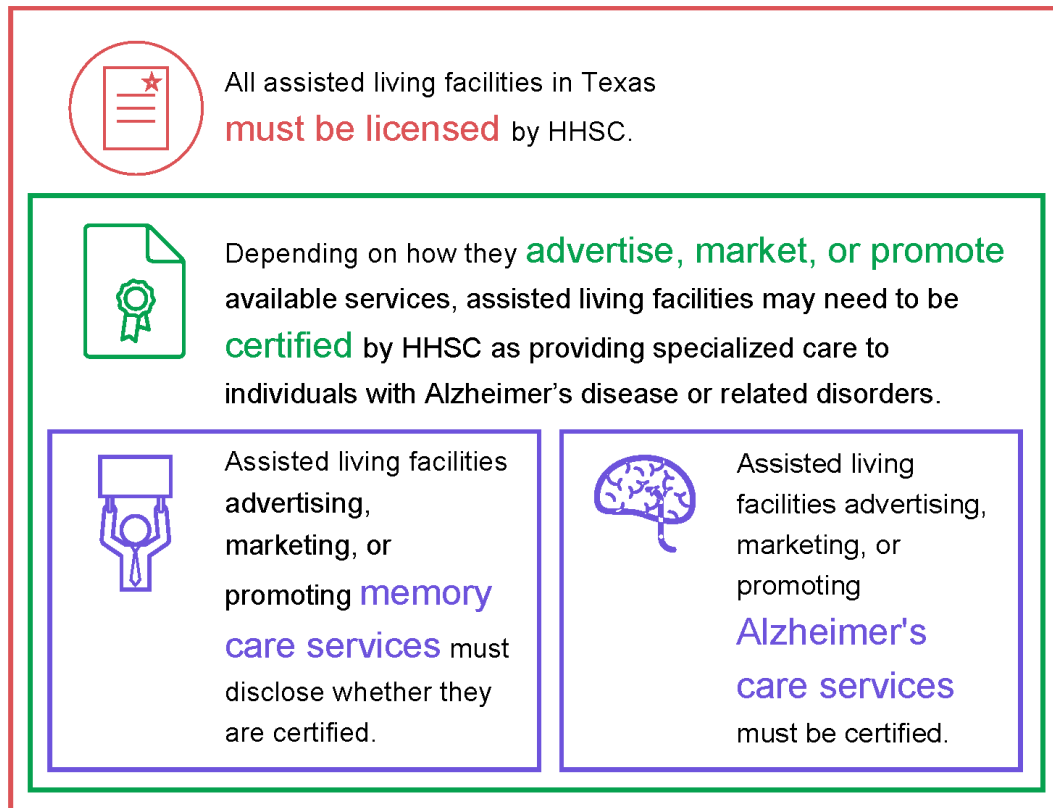
Background

OIG Audit’s annual risk assessment included risks regarding assisted living facilities advertising as providing memory care services without disclosing whether the facility holds a certification to serve residents with Alzheimer’s disease.

All assisted living facilities in Texas must be licensed by HHSC. Texas assisted living facilities have the option to seek HHSC certification for providing specialized care for Alzheimer’s disease or related disorders. At the time of the audit, Village Green – Cypress was one of seven Village Green Alzheimer’s Care home assisted living facilities. All other licensed Village Green facilities are certified to serve individuals with Alzheimer’s disease or related disorders. HHSC licensed Village Green – Cypress to serve up to 16 individuals. At the time of the audit, Village Green – Cypress was seeking, but had not yet attained, certification from HHSC as an Alzheimer’s facility for the entire facility capacity (16 residents).

Figure 1 provides a graphic representation of the licensing, disclosure, and certification requirements for assisted living facilities.

Figure 1: Licensing, Certification, and Disclosure Requirements for Assisted Living Facilities



Source: OIG Audit

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.

Detailed Audit Results

OIG Audit visited Village Green – Cypress on November 16, 2021, to assess compliance with selected Texas Administrative Code requirements for assisted living facilities, including requirements specific to certified assisted living facilities.

The following sections of this report provide additional detail about the instances of noncompliance identified by OIG Audit. OIG Audit communicated other less significant issues to Village Green – Cypress in a separate written communication.

Chapter 1: Village Green – Cypress Advertised as an Alzheimer’s Care Facility Without the Required Certification

As indicated by the facility name and the Alzheimer’s Assisted Living Disclosure Statement posted in the facility, Village Green – Cypress promoted itself as an Alzheimer’s care facility. However, Village Green – Cypress was not certified by HHSC to provide such services. All assisted living facilities in Texas must be licensed by HHSC.³ If a facility advertises, markets, or otherwise promotes itself as providing specialized services to residents who have Alzheimer’s disease or related disorders, it must have a certification issued by HHSC.⁴

HHSC asserted that, typically, facilities request licensing and certification inspections at the same time. To obtain a license, an assisted living facility must (a) request and pass a Life Safety Code inspection from HHSC Regulatory Services to demonstrate compliance with requirements for facility safety, (b) admit one to three residents, and (c) request and pass an on-site health inspection from HHSC Regulatory Services to demonstrate compliance with standards of operations and resident care requirements. To obtain certification, a facility must meet additional physical facility, resident activity, and staffing requirements during a Life Safety Code inspection and health inspection.

Since October 2017, the Village Green Alzheimer’s Care Home website advertised that the Cypress location offered services to seniors with Alzheimer’s, dementia, and other memory impairments. HHSC performed the initial Life Safety Code inspection in January 2021 after receiving the facility’s request for certification. In June 2021 Village Green – Cypress passed a follow-up Life Safety Code inspection

Alzheimer’s Assisted Living Disclosure Statement

Facilities that advertise, market, or otherwise promote the facility provides specialized services to residents with Alzheimer’s disease or related disorders are required to provide a disclosure statement to the resident, family, or responsible party to describe services provided and how services target the special needs of residents with dementia.

Source: Texas Health and Human Services Commission

³ 26 Tex. Admin. Code § 553.17 (a) (Aug.31, 2021).

⁴ 26 Tex. Admin. Code § 553.27 (a) (Aug. 31, 2021).

for certification. HHSC performed a health safety inspection in October 2021 and noted deficiencies with documenting a resident assessment and with staff training and background checks, which Village Green – Cypress had corrected by December 2021. However, the facility needed to provide a current fire marshal inspection before becoming certified. The fire marshal inspection used to complete the initial Life Safety Code inspection had become outdated. Presenting itself as an Alzheimer’s facility without being certified increased the risk that residents and their families erroneously believed the facility is certified to provide specialized care to individuals with Alzheimer’s or related disorders.

Recommendation 1

When applicable in the future, the facility should not (a) advertise, including using “Alzheimer’s” in the facility name, as an Alzheimer’s facility or (b) post an Alzheimer’s Assisted Living Disclosure Statement indicating the facility is a freestanding Alzheimer’s/dementia facility, until certified by HHSC. The facility was certified as an Alzheimer’s Care facility on February 24, 2022, the date the facility provided an updated fire marshal inspection to HHSC and also responded to this audit. No further action is required at this time.

Management Response

Action Plan

We uploaded the current Fire Marshall inspection report to the TULIP Portal. The community has received it’s Alzheimer’s Certification and is current as of now. Moving forward, we will ensure that we do not advertise as an Alzheimer’s facility or use the Alzheimer’s Assisted Living Disclosure Form if we do not have a current and active license. The management team will audit and make sure we get the renewals done in a timely manner so we are not out of status.

Responsible Manager

Director of Operations

Implementation Date

February 24, 2022

Chapter 2: Village Green – Cypress Staff Did Not Fully Comply with COVID-19 Emergency Rules

Village Green – Cypress did not screen facility visitors sufficiently to comply with COVID-19 emergency rules. To mitigate COVID-19 transmission among vulnerable residents of assisted living facilities, HHSC established an emergency rule requiring each facility to screen all visitors prior to allowing them to enter the facility. Visitor screenings must be documented in a log kept at the entrance to the facility, which must include the name of each person screened, the date and time of the screening, and the results of the screening.⁵

While a facility employee took each auditor’s temperature upon entry, the employee did not assess auditors against the remainder of the screening criteria and 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. The facility manager asserted that the employee who conducted the required screenings needed additional training.

Recommendation 2

Village Green – Cypress should conduct all required screening for facility visitors in accordance with HHSC guidance and ensure all facility employees are sufficiently trained to properly perform infection control procedures.

Management Response

Action Plan

The Community Manager conducted an in-service with all the staff to ensure that they understood the protocol for screening all staff, visitors, and vendors to the community. We have also posted our policy on the front door so that all visitors are aware of our requirements. The screening logs are reviewed daily by the community manager to ensure that they are being completed in a proper manner.

⁵ 26 Tex. Admin. Code § 553.2003 (b) (Aug. 21, 2021).



Responsible Manager

Manager of Resident Care

Implementation Date

November 20, 2021

Chapter 3: Village Green – Cypress Did Not Review and Update Its Emergency Preparedness and Response Plan

The Village Green – Cypress emergency preparedness and response plan was incomplete and out of date. The facility had an emergency preparedness and response plan on-site, but it did not include evidence of review within the previous year or as a result of the Texas winter storm event in February 2021.⁶ Additionally, the facility had not completed portions of the plan available on-site such as the facility license number, ownership information, and number of rooms.

An assisted living facility must develop and maintain a written emergency preparedness and response plan based on its risk assessment to protect facility residents and staff in a disaster or emergency, which it must keep on-site. In addition to maintaining a printed copy of the plan in a central location accessible to all staff, residents, and residents' legally authorized representatives at all times, a facility must (a) review, and document its review, of the emergency preparedness and response plan at least annually and after a significant event and (b) document updates to the plan, when necessary.⁷

The facility manager asserted she was in the process of reviewing and updating facility documentation and had not yet updated the emergency preparedness and response plan. Having an inadequate or out-of-date emergency preparedness and response plan hinders the staff's ability to effectively respond to emergencies in a timely manner, putting the health and safety of residents at risk.

Recommendation 3

Village Green – Cypress should develop a process to ensure the emergency preparedness and response plan is (a) complete and (b) reviewed annually or after a significant event and updated, as needed. The facility should also ensure it documents its annual review of the emergency preparedness and response plan.

⁶ The emergency preparedness and response plan available the day of the site visit was dated September 2018.

⁷ 26 Tex. Admin. Code § 553.275 (c) and (d) (Aug. 31, 2021).

Management Response

Action Plan

The Emergency Preparedness plan has been reviewed and updated. The management team will make sure that this is reviewed annually, or in the event of a change, and continue to monitor for accuracy and timeliness of the plan. The template that was used to update the Emergency Plan was provided to OIG.

Responsible Manager

Director of Operations

Implementation Date

January 6, 2022

Appendix A: Objective, Scope, and Criteria

Objective and Scope

The objective of the audit was to determine whether Village Green – Cypress, advertising as a memory care facility, provided services delivered and operated in compliance with applicable laws, rules, and guidelines.

The audit scope was limited to facility certification status, site conditions and related health and safety documentation as of the November 16, 2021, on-site facility visit. The audit included a review of Village Green – Cypress’s internal controls as well as testing of controls that were significant within the context of the audit objectives.

Criteria

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

- Tex. Health and Safety Code § 247.0295 (2021)
- 26 Tex. Admin. Code Chapter 553 (2021)
- COVID-19 Response for Assisted Living Facilities issued by HHSC Regulatory Services (2021)

Appendix B: Methodology and Data Reliability

OIG Audit conducted an unannounced site visit November 16, 2021, to test for compliance with various requirements relating to the physical environment to ensure the safety and wellbeing of residents, including:

- General Observations
 - Exterior conditions
 - Required postings
 - Promotional materials
- Facility Safety
 - Interior conditions
 - Ramps, walkways, and steps
 - Fire safety
- Facility Administration
 - Resident rooms
 - Common areas
- Resident Care
 - Infection control
 - Resident safety
 - Medication storage
 - Activities
 - Emergency preparedness

Additionally, auditors conducted interviews with Village Green - Cypress's management and staff and reviewed:

- Relevant documentation, such as policies, procedures, and checklists.
- Supporting documentation, including but not limited to, the activities log for the day of the visit, fire safety documentation, and required facility postings.
- Village Green - Cypress's system of internal controls, including components of internal control, within the context of the audit objective.⁸

Auditors did not use a sampling methodology for testing; therefore, the results of testing should not be projected to the population of assisted living facilities.

OIG Audit determined that the data provided by HHSC Long Term Care Regulation used to select facilities for assessment was sufficiently reliable for the purposes of the audit. Auditors used a risk-based facility selection methodology to select a non-certified facility. Factors considered included whether the facility name included certain terms and the number of violations and immediate threat violations reported for the facility between April 2018 and March 2020.

⁸ 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).

Appendix C: Report Team and Distribution

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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- Sarah Cason, CIA, CISA, Audit Project Manager
- Scott Armstrong, CISA, CGAP, Audit Project Manager
- Tamesha Ford, Associate Auditor
- Karen Mullen, CGAP, Quality Assurance Reviewer
- Mo Brantley, 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, Chief Policy and Regulatory Officer
- Karen Ray, Chief Counsel
- Michelle Alletto, Chief Program and Services Officer
- Nicole Guerrero, Chief Audit Officer
- Stephanie Stephens, Chief Medicaid and CHIP Services Officer, Medicaid and CHIP Services
- Stephen Pahl, Deputy Executive Commissioner, Regulatory Services
- Michelle Dionne-Vahalik, Associate Commissioner, Long-Term Care Regulation

- Diana Choban, Deputy Associate Commissioner, Regional Operations and Licensing
- Michael Gayle, Deputy Associate Commissioner, Program Operations

Village Green Alzheimer's Care Home, LLC

- Fakhruddin Sabir, President and Manager
- Nish Sabir, Director of Operations
- Aria Asgar, Culture and Training Coordinator

Appendix D: 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
- Erik Cary, Interim Chief Counsel
- Christine Maldonado, Chief of Operations and Workforce Leadership
- Steve Johnson, Chief of Investigations and Reviews

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