

OFFICE OF THE AUDITOR-CONTROLLER

SIMONA PADILLA-SCHOLTENS, CPA
COUNTY AUDITOR-CONTROLLER

675 TEXAS STREET, SUITE 2800
FAIRFIELD, CALIFORNIA 94533-6338
PHONE (707)784-6280
FAX (707) 784-3553




PHYLLIS TAYNTON, CPA
ASSISTANT AUDITOR-CONTROLLER

MEMORANDUM

DATE: August 23, 2011

TO: Deborah Davis, Executive Director, Children's Nurturing Project
Halsey Simmons, H&SS Deputy Director - Mental Health

CC: Simona Padilla-Scholtens, CPA, County Auditor-Controller
Patrick Duterte, Director of Health & Social Services
Moira Sullivan, Assistant Director of Health & Social Services
Glenda Lingenfelter, Mental Health Services Administrator
Michael Kitzes, Mental Health Services Manager

FROM: Ian M. Goldberg, CGAP 
Deputy Auditor Controller – Internal Audit Division

SUBJECT: Follow-Up Review of the Solano County Health and Social Services (H&SS)
Children's Nurturing Project Contract

In accordance with our fiscal year 2010/11 Audit Plan, we conducted a follow-up Review of Solano County Health and Social Services Contract administered by Children's Nurturing Project. Our follow-up review included procedures to determine the status of the two findings identified in the report presented to the Board of Supervisors on December 7, 2010. The two findings were as follows:

1. Overbillings of Medi-Cal services due to errors in billing and supporting documentation
2. Timekeeping errors

Based on our follow-up review, we have determined all findings have been resolved. (See attachment A).

We would like to thank the management and staff of the Health and Social Services Mental Health Division and Children's Nurturing Project for their cooperation and assistance provided during the follow-up review.

Solano County Health and Social Services
Children's Nurturing Project
FOLLOW-UP REVIEW REPORT FORM

The following is a list of findings identified in the report dated October 7, 2010, and their status as of July 28, 2011.

	Findings	Recommendations	Status
1	OVERBILLINGS OF MEDI-CAL SERVICES		
	<p>Based on our review of services provided by the Contractor, we identified errors in the billing and supporting documentation. We noted the following:</p> <ul style="list-style-type: none"> • A Supervisor and a Family Support Counselor, who conducted co-staffed services for a client, prepared two separate progress notes and billed the same services twice in one day. • Staff claimed billable services on the same day for two separate clients with overlapping time. <p>The Early and Periodic Screening Diagnosis and Treatment (EPSDT) Chart Documentation Manual, Section 6.9, states "The exact number of minutes used by persons providing a reimbursable service shall be reported and billed. In no case shall the units of time reported or claimed for any one person exceed the hours to worked."</p> <p>The billing errors were the result of incorrect documentation of actual hours worked for the services provided by co-staff, lack of oversight by the supervisor signing the reports and lack of staff training. These errors resulted in an overbilling of Medi-Cal services to the State and overpayment by the County to the Contractor.</p>	<p>Contractor:</p> <p>A. Correct Progress Notes and other supporting documentation to reflect actual time worked. Resubmit corrected billing to H&SS for review.</p> <p>B. Provide training to staff on proper billing and implement internal control policies and procedures such as management oversight, to ensure future compliance with billing procedures.</p> <p>C. Develop a control feature in the Contractor's Electronic Documentation/QA billing system to identify any potential duplicate note errors for review prior to entering in Insyst.</p> <p>D. Require management to provide a thorough review and oversight of Progress Notes documentation by comparing the hours reported on the Progress Notes to the employee's time records, to ensure no duplication of time billed occurs.</p> <p>H&SS:</p> <p>A. Evaluate Contractor's corrected billing and determine any disallowances.</p> <p>B. Collect from Contractor overpayment for services incorrectly documented and billed.</p>	Resolved

Solano County Health and Social Services

Children’s Nurturing Project

	Findings	Recommendations	Status
2	TIMEKEEPING		
	<p>Based on our review of 45 clients selected for testing, we noted three instances of timekeeping errors as follows:</p> <ul style="list-style-type: none"> • An employee completed a Progress Note and billed the County for EPSDT services, but the employee’s timesheet showed the employee did not work that day. • An employee completed a Progress Note and billed the County for 185 minutes of EPSDT services; however the employee timesheet included only 120 minutes worked for EPSDT. • An employee completed a Progress Note and billed the County for 234 minutes of EPSDT services; however the employee timesheet included only 180 minutes worked for EPSDT. <p>Proper internal controls require employee timesheets to be completed by the employee based on actual hours worked. The contradictory service time documentation is the result of preparing timesheets without consulting the employee’s calendars or Progress Notes to reconcile hours incurred for each project. Timesheets that do not reflect actual hours worked do not support billed services and may be disallowed by the State.</p> <p>The timekeeping errors identified resulted in overpayment by the County to the Contractor and can result in potential disallowances for services billed.</p>	<p>Contractor:</p> <p>A. Require employees to reconcile their timesheets to Progress Notes prepared and their Outlook Calendar to correctly reflect actual hours worked in each program.</p> <p>B. Require management review of timesheet documentation.</p> <p>C. Develop a control feature in the Contractor’s Electronic Documentation/QA billing system that will identify any potential duplicate note errors for review prior to entering in Insyst.</p> <p>H&SS:</p> <p>A. Review noted timekeeping errors and evaluate if the County overpaid Contractors.</p> <p>B. Collect overpayment from Contractor for services incorrectly documented and billed.</p>	<p align="center">Resolved</p>