



Chesterfield County, Virginia Internal Audit

9901 Lori Road, Room 142 – P.O. Box 40 – Chesterfield, VA 23832
Phone: (804) 748-1240 – Fax: (804) 768-9346 – Internet: chesterfield.gov

DATE: February 22, 2019

TO: Joseph P. Casey, Ph.D. Chesterfield County
County Administrator Board of Supervisors

Mervin B. Daugherty, Ed.D. Chesterfield County
School Superintendent School Board

FROM: Greg L. Akers 
Director of Internal Audit

SUBJECT: Mental Health Support Services, Medicaid - Day Support Program Audit

The Office of Internal Audit completed an audit of Mental Health Support Services, and the final report is attached.

We would like to thank Executive Director, Debbie Burcham, and Assistant Director of Community Services, David Meadows, Controller, Danielle Sayre, and their staff for cooperation and assistance during this audit.

Attachment

Copy: Debbie Burcham, Executive Director
David Meadows, Assistant Director of Community Services
Danielle Sayre, Controller



Providing a FIRST CHOICE
Community through
Excellence in Public Service

Chesterfield County
Internal Audit
Department

Greg L. Akers, Director
Steve Sanderson, Audit Manager
Khara Lounsbury, Technology Audit Manager
Lora Holland, Senior Auditor
Christopher Meade, Senior Auditor
Terry Parker, Senior Auditor
Sandra Fuentes, Staff Auditor
Christian Wingfield, Staff Auditor
Annette Stinson, Administrative Analyst

Mental Health Support Services

Medicaid - Day Support Program

February 22, 2019



HIGHLIGHTS/OVERVIEW	1
INTRODUCTION	2
FINDINGS/RECOMMENDATIONS	
Compliance	5
System Processes	8

Mental Health Support Services Medicaid - Day Support Program Audit



Highlights

Compliance

Reconciliations are not performed between ONESolution revenues and completed claims in PROFILER (MHSS data management system) to ensure completeness and accuracy. Additionally, reconciliations are not performed between various processes and systems (i.e. used to develop claim data) to ensure completeness and accuracy.

Recommendation: Implement various reconciliation processes between multiple processes and systems to ensure completeness and accuracy.

System Processes

PROFILER does not capture all client service data necessary for Medicaid claim submission. The multiple processes and systems to record and track client service hours are cumbersome and inefficient. Much of the client services recordation processes is manual and allows for human error.

Recommendation: Evaluate opportunities to minimize manual claim processes and investigate potential system upgrades or replacement options.

Management concurred with 4 of 4 recommendations detailed in the report to be implemented from 7/1/18 to 1/31/21. Internal Audit performs annual follow-up with management to confirm implementation status

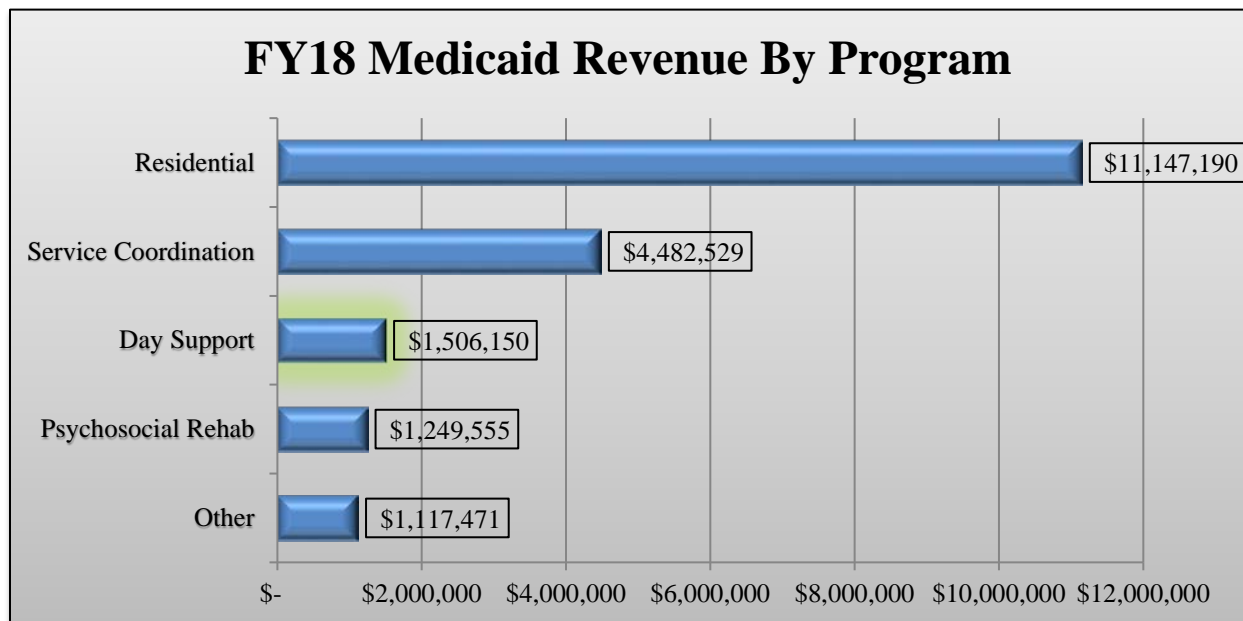
INTRODUCTION

BACKGROUND

The Mental Health Support Services (MHSS) audit was a regularly scheduled audit on the FY19 audit plan approved by the Audit and Finance Committee

Chesterfield Community Services Board (CSB) is one of forty in Virginia offering a comprehensive array of services for County citizens. The Chesterfield CSB serves as an Administrative Policy Board for the Chesterfield Department of Mental Health Support Services. Members are appointed by the Chesterfield County Board of Supervisors with statutory fiduciary and management authority and responsibilities. The CSB’s mission is to promote an improved quality of life for Chesterfield citizens through exceptional and comprehensive mental health, mental retardation, substance abuse, prevention and early intervention services.

During FY18, Medicaid revenues exceeded \$19 million. This audit specifically focused on the Day Support (“Day Program”) offered by Chesterfield CSB.



The Day Program enables people with developmental disabilities and mental illness to acquire, improve and maintain activities of daily living (ADL) and leisure skills through individualized services. Consumers participate in skill development and leisure training provided by the Day Program’s coaches and/or counselors. These individuals are assisted in various activities that provide training in self, social, and environmental awareness. Day program services include training community integration opportunities, as well as, other activities designed to develop and strengthen life skill and quality of life. The Day Program works with family, caregivers, and other stakeholders to ensure services rendered are appropriate for the individual.

Currently the Day Program has two facilities in which services are offered:

<i>Facility Name</i>	<i>Attendance/Capacity</i>	<i>FY 18 Expenditures</i>
<i>Amberleigh</i>	26/45	\$ 704,926
<i>Winchester Green</i>	66/85	\$ 1,780,728

MHSS staff prepare monthly billing documentation for Day Program services provided. This information is submitted to the Virginia Department of Medical Assistance Services for reimbursement back to the County.

OBJECTIVES

Objectives of the audit were to test MHSS Day Program Medicaid billings for:

- Compliance with laws, regulations, and procedures.
- Accuracy, timeliness, and completeness.

SCOPE

Our audit work covered FY18 and the current operating environment.

We considered the following code and policies during our audit:

<i>Code of Federal Regulation 42 CFR § 447.45(d)</i>	<i>DMAS Mental Retardation (MR) Community Services Provider Manual</i>
<i>Accounting Policy 1-8 Cash Receipts</i>	

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. Terry Parker, Senior Auditor, and Sandra Fuentes, Staff Auditor, performed the audit work.

METHODOLOGY

Detailed information regarding the methodology can be found in the individual findings listed in the report. Our methodology included the following: interviews, observations, data analysis, and documentation review.

INTERNAL CONTROL CONCLUSION

According to Government Auditing Standards, internal controls, in the broadest sense, encompass the agency's plan, policies, procedures, methods, and processes adopted by management to meet its mission, goals, and objectives. Internal controls include the processes for planning, organizing, directing, and controlling program operations. It also includes systems for measuring, reporting, and monitoring program performance. An effective control structure is one that provides reasonable assurance regarding:

- Efficiency and effectiveness of operations;
- Accurate financial reporting; and
- Compliance with laws and regulations.

Based on the results and findings of the audit test work, auditors concluded that there are several opportunities for improvement to internal control procedures to better provide reasonable assurance to assist management in meeting its missions, goals, and objectives. Recommendations specific to improving these controls can be found in detail further in the audit report.

CLOSING

We would like to thank the Department of Mental Health Support Services for their cooperation and assistance during this audit.

FINDINGS, RECOMMENDATIONS, RESPONSES

Compliance

(Point Sheet 1)

CRITERIA:

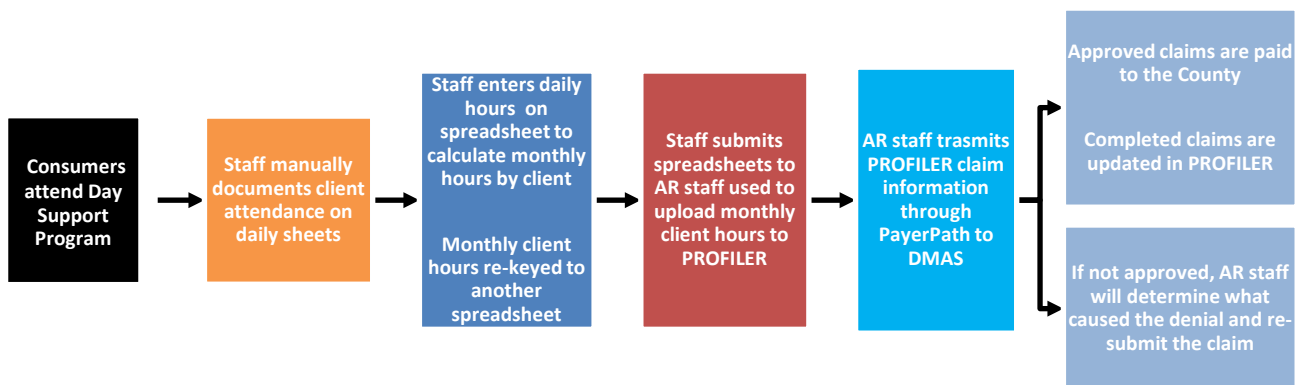
Accounting Policy 1-8, *Cash Receipts*, provides minimum standards which must be met by all County departments whenever monies are collected. Departments must ensure cash receipts transactions are posted to the appropriate general ledger account in the County's Financial System (ONESolution). This requires a revenue reconciliation to the monthly Detail Transaction Journal report provided by the Accounting Department (Section IV, E.2).

The Virginia Department of Medical Assistance Services (DMAS) through the Medical Assistance Program regulations, require the prompt submission of all claims. Virginia Medicaid is mandated by federal regulations [42 CFR § 447.45(d)] to require the initial submission of all claims (including accident cases) within 12 months from the date of service. Providers are encouraged to submit billings within 30 days from the last date of service or discharge.

CONDITION(S):

MHSS does not reconcile completed Day Program claims in PROFILER to ONESolution revenues. MHSS operates two Day Programs with about 100 clients and \$1.5 million annual Medicaid revenues. During FY18 MHSS submitted about 1,500 Day Program claims with varying reimbursement rates based on client service levels. Daily manual attendance sheets with scheduled and approved hours are keyed to a monthly spreadsheet summary by client. These total monthly client hours are re-keyed to another spreadsheet for upload to PROFILER (MHSS data management system and electronic health record). Monthly client service hours from PROFILER are transmitted through PayerPath (clearing house) to DMAS for County Medicaid reimbursement processing (Figure 1.1).

Figure 1.1 - Day Program Claim Reimbursement Process



FINDINGS, RECOMMENDATIONS, RESPONSES

Compliance

(Point Sheet 1)

Reconciliations were not performed in FY18 between ONESolution revenues and completed claims in PROFILER to ensure completeness and accuracy. In addition, reconciliations were not performed between various processes and systems (i.e. used to develop claim data) to ensure completeness and accuracy:

- Daily attendance sheet and monthly spreadsheet total hours.
- Monthly spreadsheet and PROFILER upload hours.
- PROFILER claim hours and hours transmitted to PayerPath to DMAS.

We tested three months of client activity for claims submission completeness and accuracy. Total hours for 2 months did not agree with hours uploaded to PROFILER.

- October 2017 was underreported by 30 hours (\$337 to \$520 impact). Attendance sheet hours keyed into spreadsheet were transposed.
- December 2017 was overreported by 5 hours or (\$66 impact) due to a spreadsheet keying error.

We selected 25 individual paid Medicaid claims to recalculate hours from daily attendance sheets and verify Medicaid required client services documentation in PROFILER. Hours did not agree with daily attendance sheets for 2 of 25 (8%) claims tested:

- Client 1 – account overbilled by 51 hours (\$537 to \$884 impact).
- Client 2 – account overbilled by 4 hours (\$53 impact) due to a spreadsheet keying error.

Claims can be denied requiring staff evaluation for resubmission. Reasons for denial include: upload errors, improper file documentation, and client hours over approved billable hours. There were 71 claim denials, 4.7% of FY18 claims. We tested 10 denials for resubmission and recovery. MHSS recovered reimbursements for 7 of 10 denied claims tested. There were 3 resubmitted claims (\$4,867) not recovered during the allowable one-year filing period. Overall, timely filing denials of .4% were within the MHSS targeted .5% goal.

CAUSE(S):

- Management has not established a reconciliation process for completed Day Program Medicaid claims to ONESolution revenues.
- MHSS has multiple processes and systems to develop claim data (see separate point sheet for record management). Management has not established reconciliations among these processes (daily attendance sheets, monthly spreadsheets, PROFILER, and PayerPath).

FINDINGS, RECOMMENDATIONS, RESPONSES

Compliance

(Point Sheet 1)

EFFECT(S):

- Medicaid revenues in ONESolution are not verified against Day Program claims for completeness and accuracy.
- Unidentified data errors could cause inaccurate Medicaid billings, County reimbursements, and potential penalties from Medicaid.
- MHSS may not recover potential funds from Medicaid.

RECOMMENDATION(S):

We recommend MHSS:

1. Implement a reconciliation process between ONESolution revenue and PROFILER reimbursed claims to ensure accurate collections and financial reporting.
2. Develop control totals (i.e. daily and monthly hours) and implement reconciliation procedure between the multiple processes and systems (daily attendance sheets, monthly spreadsheets, PROFILER, and PayPath) used to develop claim data. Also see separate point sheet and recommendations for “System Processes”.

MANAGEMENT’S RESPONSE(S):

1. *Concur. Controller, Danielle Sayre implemented 7/1/18. The reconciliation process began in FY18 and was fully established beginning of 7/1/18.*
2. *Concur. Controller, Danielle Sayre is responsible for implementing 2/15/19. An electronic spreadsheet to be used at the Day Program to track individuals’ arrival and departure times was created. The spreadsheet calculates the daily and monthly hours of attendance as well as calculates estimated billing revenue based on tier and type of service provided to the individual.*

FINDINGS, RECOMMENDATIONS, RESPONSES

System Processes

(Point Sheet 2)

CRITERIA:

The Virginia Department of Medical Assistance Services (DMAS) is responsible for managing the Medicaid program statewide and has developed provider manuals to assist in this effort. The Mental Retardation (MR) Community Services Provider Manual describes MR Day Support service requirements. Requirements include, documenting Day Program client attendance, participation, and approved service hours provided.

Best practices advise implementation of effective data management policies and procedures. These procedures ensure reduced duplication efforts of data entry. Duplication of processes often lead to variations in maintained data.

CONDITION(S):

PROFILER (MHSS data management system) is not being used to capture all client service data necessary for Medicaid claim submission. The multiple processes and systems MHSS staff use to accumulate client service hours for Medicaid claim submission include:

- Daily client attendance sheets listing scheduled hours by clients. These daily sheets also include:
 - Hand written approval and documentation for client attendance and service hours.
 - Explanation and reason codes for client absences.
 - Manual service hours calculation by client and daily total.
- Daily manual attendance sheets approved hours are keyed to a monthly spreadsheet summary by client.
- Total monthly client hours are re-keyed to another spreadsheet for upload to PROFILER.
- Monthly client service hours from PROFILER are transmitted through PayerPath (clearing house) to DMAS for County Medicaid reimbursement processing.
- PROFILER is also used by MHSS staff to document daily client case management notes required to support claim submission.

During testing (also described in separate “Compliance” point sheet with recommendations to ensure completeness and accuracy) attendance sheet errors were noted. Errors included:

- MHSS miscalculated time for clients on attendance sheet.
- MHSS miskeyed client attendance information.

FINDINGS, RECOMMENDATIONS, RESPONSES
System Processes
(Point Sheet 2)

Staff did not always key absent codes on timesheet documentation. Absent codes are included on the attendance documentation for individual program absences.

- For November and December, we noted 26 of 36 (72%) days where staff did not record the absent codes.
- For November and December, we noted 21 of 36 (58%) days where staff did not record the explanation for absence.

CAUSE(S):

- The multiple processes and systems to record and track client service hours are cumbersome and inefficient.
- There is not a documented review process to ensure reason codes are included on attendance sheets for all absences.

EFFECT(S):

- Unidentified data errors could cause inaccurate Medicaid billings, County reimbursements, and potential penalties from Medicaid.
- Incomplete or missing required documentation.

RECOMMENDATION(S):

We recommend that MHSS management:

3. Evaluate opportunities to minimize manual processing and duplicate spreadsheet entry required to capture and approve data for claim processing.
4. Evaluate potential system upgrade or replacement options that could efficiently integrate the separate manual and spreadsheet claim processes.

MANAGEMENT'S RESPONSE(S):

3. *Concur. Controller, Danielle Sayre is responsible for implementing 2/15/19. An electronic spreadsheet to be used at the Day Program to track individuals' arrival and departure times was created. The spreadsheet calculates the daily and monthly hours of attendance as well as calculates estimated billing revenue based on tier and type of service provided to the individual.*
4. *Concur. MIS Manager, Tim Adams, and Controller, Danielle Sayre, are responsible for implementing 1/31/21. The agency in conjunction with County IST is preparing an RFP for a new Electronic Health Record to replace PROFILER. In the meantime, see above comment as to the remedy the manual processes.*