



Developmental Disabilities

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**A Report to the
Jackson County
Board of Commissioners**

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To: Board of Commissioners
Re: Audit of
Date: September 7, 2022

The enclosed report presents the results of an audit over the Developmental Disabilities program.

Please feel free to contact me at your convenience if you have any questions or would like additional information not contained in the report.

C: Audit Committee
Budget Committee
Moss Adams, LLP

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Audit Objectives

The objectives of the audit were to evaluate whether:

1. Controls provide reasonable assurance that the program is operating efficiently, effectively, and in compliance with state regulations, and
2. Controls adequately safeguard the County against the risks of fraud, waste, and abuse.

What We Found

The DD program has experienced considerable growth while simultaneously dealing with the challenges of working in a telework environment during the pandemic. As a result, current supervisory practices do not provide adequate assurance that case management activities will meet the State's requirements and the Program's internal expectations.

What We Recommend

Program Management focus time and attention on developing procedures for supervisory activities to ensure there is consistency and thoroughness in how the Program's supervisors approach their work.

Introduction and Background

Audit Authority

We conducted our audit in accordance with Codified Ordinance 218 pertaining to the County Auditor. This audit was included in our fiscal year 2021-22 Internal Audit Plan.

Compliance with Government Auditing Standards

We conducted this performance audit in accordance with generally accepted government auditing standards. These 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. Additionally, the standards address the importance that auditors be independent of management. The Internal Audit program operates in compliance with the generally accepted government auditing independence standard for internal audit shops.

Confidential or Sensitive Information

We did not withhold information that would be considered sensitive or confidential.

Audit Conclusion

Supervisors are not approaching their work in a consistent and thorough manner and, as a result, there is risk that not all case activities are being performed in accordance with State requirements and the Program's internal expectations.

Audit Objectives, Scope & Methodology

Our audit objectives focused on evaluating the design and implementation of controls put in place to achieve compliance with state regulations pertaining to community developmental disability agencies.

Our audit procedures included:

- Calculating a turnover rate for Developmental Disability Case Managers;
- Calculating the number of days from when a vacant Case Manager position is advertised to when a candidate accepts a job offer;

- Reviewing resignation letters from Case Managers;
- Reviewing Exit Questionnaires from Case Managers;
- Interviewing the Developmental Disability Program Manager, Supervisors, and Case Managers;
- Comparing starting pay, job duties, and cost of living for Case Managers at nearby counties;
- Testing a sample of billed encounters to ensure a case note documented the encounter;
- Testing a sample of Tracker spreadsheets to verify that quarterly monitoring is occurring and documented;
- Reviewing purchasing card statements;
- Reviewing the last three State Biennial reviews; and
- Reviewing the number of billed encounters each month by Case Manager.

Report Structure

The following pages consist of 4 chapters, which are:

Chapter 1 Background

Chapter 2 Employee Retention

Chapter 3 Management Controls

Chapter 4 Risk of Fraud

Chapter 1 Background

The Developmental Disabilities Services (DD) is a division within the County’s Health and Human Services Department (HHS). DD provides services through a model that can be described as state-funded and county-operated, though the funding actually begins at the federal level with the Centers for Medicare and Medicaid Services. The Oregon Department of Human Services (ODHS) provides funding to counties, establishes administrative regulations that govern program delivery, and provides oversight through biennial reviews.

As will be discussed in detail later, DD’s role centers around the following activities:

- Determining if adults and children meet program eligibility criteria;
- Conducting a Needs Assessment and participating in development of a resulting Individual Service Plan (ISP) for each client;
- Case management, which involves maintaining contact with clients and monitoring service providers; and
- Investigating allegations of abuse and other concerns.

Passage of the Affordable Care Act (ACA) resulted in increased funding for DD. The ACA authorized implementation of Oregon’s K Plan and increased the federal contribution to the program by 6%. The K Plan has the financial goal of reducing overall costs by increasing home and community-based supports and services so that more expensive institutional care can be avoided. As will be seen below, funding and staffing of DD increased significantly after the State implemented the K Plan.

DD Budget

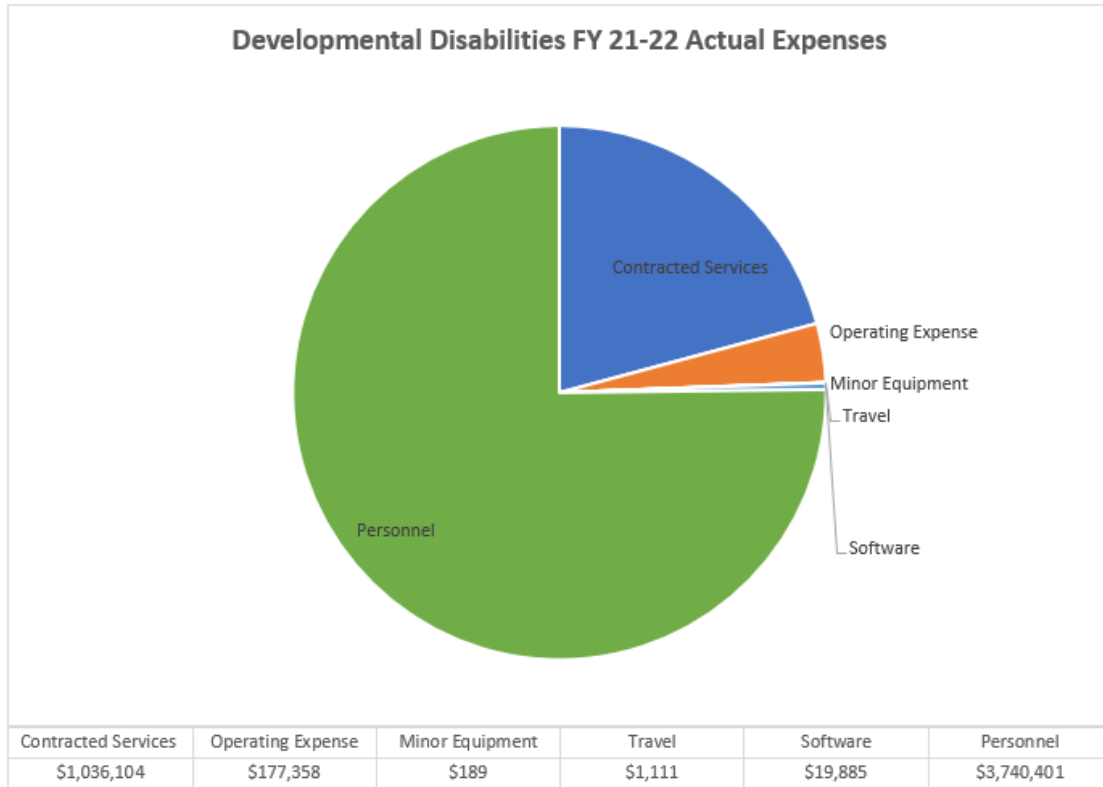
The K plan was instituted in July 2013, but Jackson County didn’t receive an increase in funding until FY15-16. The total revenue increase at that time was 27%. Program revenues and expenses from FY18-19 through the FY22-23 adopted budget is shown below.

Developmental Disabilities Budget

Description	Actual 18-19	Actual 19-20	Actual 20-21	YTD 21-22	Adopted 22-23
State	\$ (3,930,839)	\$ (5,222,335)	\$ (5,411,660)	\$ (6,493,525)	\$ (6,916,548)
Fees & Other	\$ (860)	\$ (1,543)	\$ (1,039)	\$ (924)	\$ (1,000)
Total Revenues	\$ (3,931,699)	\$ (5,223,877)	\$ (5,412,699)	\$ (6,494,449)	\$ (6,917,548)
Personnel	\$ 2,736,775	\$ 3,269,782	\$ 3,574,752	\$ 3,740,401	\$ 5,590,470
M & S	\$ 821,931	\$ 917,600	\$ 1,072,091	\$ 1,234,647	\$ 1,327,078
Total Expenses	\$ 3,558,706	\$ 4,187,381	\$ 4,646,843	\$ 4,975,048	\$ 6,917,548
Difference	\$ (372,993)	\$ (1,036,495)	\$ (765,856)	\$ (1,519,401)	

Source: E1 Financial System

The pie chart below shows Developmental Disability Expenses for FY21-22. As shown, personnel costs account for the majority of program expenditures.



DD staffing

Prior to the K Plan, DD had 17 FTE, which has subsequently increased to 54 in FY22-23. Recruitment and retention have been major challenges for the program. Program management reports that recruitment has recently become less of a challenge but retention remains a challenge. Retention will be discussed in Chapter 2.

The program’s staffing allocation and model consists of:

- 1 Program Manager – Manages on-going operation of the Developmental Disabilities Program;
- 5 Supervisors – Train and monitor Case Managers;
- 6 Office Assistants – Perform office and general clerical duties in support of the Developmental Disabilities Program;
- 2 Investigators – Investigate allegations of abuse and neglect of adults with developmental disabilities;
- 36 Case Managers – Provide case management services to the developmental disabled population, including coordinating, monitoring and providing services, and authorizing Medicaid services; and
- 4 Developmental Disability Specialists – Determine eligibility and perform home inspections.

Clients Served

In FY13-14 the DD Program served 1,040 clients. With implementation of the K Plan, they now serve over 1,549, an increase of 49%. These numbers include clients that receive case management services from what is referred to as ‘support service brokerages’ instead of from the County.¹ The State system is designed to give individuals residing in their homes the choice of having case management services provided by their county DD program or by a brokerage service. For all clients, the County retains responsibility for determining eligibility, authorizing services, and conducting investigations when necessary.

Performance Metrics and State Regulations

The County’s role in the system is to determine eligibility, facilitate development of an Individual Service Plan (ISP), and then provide case management. The County doesn’t provide direct services. Accordingly, performance measures focus on timeliness requirements established by OAR. The current performance measures are:

- To complete 95% of eligibility and re-eligibility determinations within the required timeframes. Initial eligibility determinations are to be completed within 90 days of intake.² Completion of an eligibility determination typically requires the Program to request and receive documents from medical providers. The measure is set at 95% and not 100% to account for instances in which medical documentation is not provided in a timely manner.
- To implement 90% of an Individual Service Plan within 60 days of the eligibility determination. As an interim step, a needs assessment must be completed after the client is determined to be eligible. The results of the needs assessment guide the development of the ISP.

State Biennial Reviews

State reviews occurred most recently in 2017, 2019, and 2021. The ensuing reports do not document how many files were reviewed in each biennial review. Program management reported that it believes each review involves approximately 30 case files. Areas reviewed include eligibility, needs assessments, service plans, case management contacts, group and foster home site visits, and Individual Service Plans.

¹ Support Service Brokerages are non-profits or other organizations that are authorized to provide case management services to individuals residing in their private residences but not to individuals residing in foster or group home settings.

² per OAR 411-320-0020 “Intake” means the activity of completing the Request for Eligibility Determination (form 0552) and necessary releases of information prior to the submission of a completed application to the Community Developmental Disabilities Program.

While it can be reasonably expected that each review will find that some activities did not occur within required timeframes and/or that some files were missing required documents, the repetition of a few findings caught our attention. These are shown in the table below.

Select State Biennial Review Findings

	2017	2019	2021
Case Mgmt. Contacts	Not all case management contacts (CMCs) were completed within the established timeframe per the ISP	Not all reviewed files included documentation that CMCs were completed at least once every 3 months	In many files CMC were not being completed timely as required by rule and/or within the timeframe identified in the ISP
Progress (Case) Notes	Not all the reviewed progress notes met the required criteria for billable case mgmt. encounters	Not all the reviewed progress notes met the required criteria for billable case mgmt. encounters	Not all progress notes reviewed met the qualified encounter criteria required to document a case management service was provided and that it could be billed for
Level of Care (LOC) / Oregon Needs Assessment (ONA)	Not all files contained evidence that needs assessments occurred on a 12-month basis for all individual's that require one; and not all assessments have been completed within 12 months of the previous assessment	One LOC did not have a completed annual redetermination in the file. One LOC was not completed within 12-months of the previous determination	5 files did not contain a completed LOC
Service Plans	In some files the assessed needs were not captured in the ISP nor was there documentation that indicated why the needs weren't included in the ISP	Assessed needs were not captured in all ISPs for individuals required to have a needs assessment	Most of the files did not document all of the assessed needs from the ONA into the ISP

Ideally, the deficiencies identified through the State biennial reviews would have been prevented through the Program's supervisory quality control activities. They weren't. Therefore, we focused this audit on evaluating the design, implementation, and effectiveness of the Program's management controls (i.e., the use of tracking devices, checklists, forms, policies/procedures, etc. used by a program's management to establish expectations and then review the timeliness, completeness, and quality of work performed by staff). Chapter 3 reports on this.

Chapter 2 Employee Retention

Turnover has been a challenge for the DD program. Therefore, we included this chapter on turnover to provide context to the following chapter’s discussions regarding the implementation and effectiveness of existing controls.

Program management reports that because of the high turnover supervisors’ time remains focused on training new DD case managers and providing support when those new managers encounter challenging cases rather than on typical supervisory/management activities such as monitoring employee productivity and quality assurance.

We do not know what an acceptable or normal turnover rate for DD case managers is, but the program’s rate appears high. During the last few years, the rates were:

Fiscal Year	Turnover Rate
FY21-22	23%
FY20-21	15%
FY19-20	11%
FY18-19	29%

Source: Audit analysis of HR records

The program grew rapidly after implementation of the K Plan.³ It went from 13 case managers in FY14-15 to 27 case managers in FY19-20. For FY22-23, the Program is budgeted with 36 case manager FTEs, although 10 of those are vacant as of July 2022.

The table below shows the number of case managers by Fiscal Year and the number who left employment.

FY	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22
# DD Case Mgrs	13	13	15	15	21	21	27	26	26
# that left	1	1	1	1	6	6	3	4	6
% that left	8%	8%	7%	7%	29%	29%	11%	15%	23%

Source: Audit analysis of HR records

Reasons for Turnover

26 case managers resigned and/or were terminated in the 5 years from June 2017 through May 2022. Of these, 11 case managers had been County employees for less than a year and 7 for between 1 and 3 years.

³ The K Plan was implemented in July 2013, with Jackson County first receiving additional funds in July 2015.

We reviewed their resignation letters, which indicated that of the 26:

- 12 left to take another job, but we do not know what motivated their decisions to leave.
- 4 moved
- 4 were terminated for cause
- 3 left for personal reasons
- 2 retired
- 1 gave no reason for leaving

Exit questionnaires were only filled out by 5 of the 26. These 5 completed questionnaires suggest that the employees perceive the pay as low. The Exit Questionnaire asks the employee to rate many aspects of their department, supervisor, and benefits on a scale from 1 – 5 with 1 being poor, 3 being average, and 5 being excellent. The average score from the 5 DD case managers was between 3.2 and 4.6 on everything except pay, which was 2.4.

Similarly, when questioned about the high turnover rate, several supervisors commented that the case manager rate of pay was too low. However, as discussed in the next section, the perception that pay is low is not supported by an analysis of pay at comparable organizations for comparable positions.

Case manager pay may be lower than the pay for individuals providing direct services. Program management reports that local non-profit provider agencies are now paying direct service staff \$24 to \$26 an hour (\$49,920 to \$54,080) with benefits, but we did not confirm this information. While there are significant differences in the duties and responsibilities involved in providing direct services as compared to case management, the two types of work do potentially draw from the same pool of workers.

Case Manager Pay at Comparable Organizations

We compared the starting pay for Jackson County case managers to that of Deschutes, Lane, and Marion County and to the State to determine if data supports the perception that the County's pay rate is low.

It is hard to do an 'apples to apples' comparison. The cost of living differs from one county to the next and there are differences in employee health care contributions and costs. Additionally, some counties assign more duties and responsibilities to the entry level case manager position than other counties.

Given these inherent challenges, our analysis suggests that Jackson County's entry level pay is comparable to that of the other organizations. We focused our analysis on entry level pay because turnover has been concentrated in the initial stages of employment, as illustrated in the table below:

Length of Time in Position Prior to Resignation

Number of DD Case Managers	Number of Years in Position Prior to Resignation
9	Less than 1 Year
6	1 - 3 Years
4	3 - 5 Years
3	More than 5 Years

As of July 2022, Jackson County pays \$47,050 at Step 1 of the entry level case manager position. We used a cost of living comparison calculator to compare this pay rate to the current rate of pay of the comparison counties. The purpose of the calculator is to allow a person to determine how much more or less they would need to earn to maintain the same standard of living if they moved to a different geographic region.

We note that in July 2022 Jackson County increased DD case manager pay by about 7%. Had we done this analysis a year earlier, the results may have been different. That said, we did not find that Jackson County's current pay was substantially different from the pay of the other counties when geographic variances in the cost of living are taken into consideration. We found:

- Deschutes – A person earning \$47,050 in Jackson County and living in Medford would require a salary of \$54,767 to maintain the same standard of living in Bend. Deschutes pays \$56,306 so a person's economic standard of living would increase slightly by moving but the entry level employees in Deschutes also perform eligibility or licensing work that in Jackson County is performed by the next higher DD position.
- Lane - Earning \$47,050 and living in Medford would require a salary of \$52,136 to maintain the same standard of living in Eugene. Lane pays \$51,272 so a DD case manager in Lane is not financially better off than a DD case manager in Jackson County. Also, like Deschutes, the entry level position in Lane also performs eligibility determination that the entry level position in Jackson County does not.
- Marion - Earning \$47,050 and living in Medford would requires a salary of \$49,461 to maintain the same standard of living in Salem. Marion pays \$49,546 so a person's economic standard of living would not change by moving to Eugene. Also, like Deschutes and Lane, the entry level position in Lane also performs eligibility determination that the entry level position in Jackson County does not.

- State Office – The State hires Human Service Case Managers at a starting salary of \$41,267 and has also began offering hiring bonuses of \$2,599. While this position may not perform the exact same duties as county case managers, it involves the same key duties of determining eligibility and case management.

As mentioned at the beginning of this section, management reports that because of the high turnover rate supervisors spend a significant amount of time training and coaching new employees, which takes away from time supervisors could spend on other activities such as monitoring and quality assurance. As will be discussed in the following section, tools for monitoring productivity and quality exist but those tools are not consistently used by all supervisors nor have written expectations been developed regarding use of those tools.

Chapter 3 Management Controls

Spreadsheets to track employee productivity and compliance with various requirements have been designed, but the program has not instituted policies or practices to ensure there is consistent use of these tools by the supervisors responsible for supervising the case managers.

Monitoring employees and evaluating the quality of their work are among the primary functions of management in any program. In the DD program, supervisors each oversee a team of 4 to 8 Case Managers. We focused our work on the teams that perform general case management services. We performed additional testing related to program eligibility determinations but we did not perform tests relating to the investigation function performed by DD.

The sections below provide information that highlight why we have concluded that the Program has not effectively used its tools to monitor the performance of its case managers and why we recommend that a more structured approach to supervision is needed to ensure that:

- Billed services are supported by required case notes
- Employees meet productivity standards
- Activities are completed within required timeframes

Verification that a Case Note Was Created for Each Billed Encounter

The State requires that there be a case note (aka progress note) that documents each billable encounter.⁴ However, the Program has not instituted a control to ensure case notes have been created prior to billing the State for services and, as discussed below, we found several instances in which there was no case note to support encounters that had been billed to the State.

The DD Program has created a tool referred to as the “Encounter Spreadsheet” that tracks billable qualifying encounters for the purpose of preparing a monthly billing statement. When a qualifying encounter occurs, the case manager enters the date of the encounter onto the Encounter Spreadsheet. Later, on a monthly basis, office support staff use the Encounter Spreadsheet to bill the qualifying encounters to the State.

Despite the requirement that each billable encounter be supported by a case note, no one is assigned to use the Encounter Spreadsheet or any other tool or method to verify case notes were created prior to billing.

Our test of 294 billed encounters from March and May 2022 identified 38 billed encounters (13%) for which a supporting case note was not readily available in the prescribed location

⁴ OAR 411.415.0120 requires all reimbursements by the State for case management services be supported by a progress note in the individual file.

when we conducted our test. Internal Audit brought this to the attention of the DD for it to review and investigate. DD's investigation revealed that:

- 35 of the 38 reportedly had a case note on the case manager's laptop, but the case notes had not been transferred to the Program's shared drive which serves as the Program's repository for case notes. The 35 account for 12% of the 13%. The telework environment during the pandemic was a contributing factor. Prior to the pandemic, all work would have been performed in the office where it would have automatically saved to the shared drive (I-drive).
- 1 appears to have been billed under the wrong client name.
- 2 case notes could not be located. As a result of the audit, case managers created late case notes⁵ for these 2. If not for the audit, it is unlikely that the 2 missing case notes would have been identified by management and corrected. If they had been found by the State's biennial review, it may have resulted in a need for an expanded review to identify if the issue was more widespread and/or it may have resulted in a finding of noncompliance.

We recommend that the Program develop a policy and procedure to reduce the risk that encounters will be billed without the existence of the required case note. Various approaches could be taken. Each approach has its pros/cons. These approaches include:

- Administrative personnel who perform the billing function could be tasked with verifying the existence of a case note. However, this approach can create an awkward dynamic between administrative personnel and the case managers as the administrative personnel may come to be viewed as tattletales.
- Supervisors could be required to test a sample of each case manager's billable encounters to verify the existence of a case note. This would take time away from performing other tasks but if the sample size was reasonable, it should not be too onerous of a task.
- Supervisors could incorporate verifying the existence of case notes for billable encounters into their other quality control activities. For example, while reviewing a case file the supervisor could also perform this task.

The Encounter Spreadsheet and Monitoring of Productivity

The DD Program has a policy that all case managers are expected to bill at least 44 qualifying (billable) encounters each month. As will be discussed below, we found that many case managers are not achieving this productivity standard. Moreover, while it may be occurring,

⁵ The DD Program's Case Management Title XIX Qualified Encounters Billing and Case Notes Policy and Procedure requires documentation of the service in a case note shall occur within 7 days of the service being provided.

there is nothing that documents supervisors are monitoring productivity or in a timely manner discussing any performance issues with the relevant case managers.

In total, we found that case managers did not meet (or come close to meeting) this expectation about 23% of the time. Moreover, this result was based on very generous testing criteria.

In performing this test, we took the following into consideration:

- Sick and vacation time - Because the expected 44 encounters equates to roughly 2 encounters per working day in a month, we reviewed payroll records and decreased the expectation by 2 encounters for each day a case manager was absent during a month.
- New employee learning curve - To account for the number of new employees who are still learning the job, we excluded from testing the first two months of a case manager's employment if those months were within the testing period.
- Unusual situations – In any given month, a case can require an abnormal amount of a case manager's time. To allow for this, for testing purposes we further decreased the expected 44 encounters to 40 encounters. Therefore, we were really testing whether a case manager met 90% of the expected number of billable encounters each month.

We excluded supervisors (one Supervisor does have a case load of 20 clients), case managers whose primary task is completing the Oregon Needs Assessment, and case managers who did not work at least 3 of the 6 months included in the testing period of January through June 2022.

The testing included a total of 23 case managers who worked a combined total of 122 months. Of these months, 23% of the time the case manager did not meet the Program's expectation, even after accounting for the adjustments we made to the expectation. In total, 71% of the months had at least 40 encounters and another 6% of the months met the modified requirement after we reduced the required number to allow for absences.

Additionally, our test revealed that one case manager did not record any billable encounters in May 2022. After we brought this to the supervisor's attention, the supervisor indicated that there had apparently been a technical glitch and that she was able to work with the case manager to re-enter the encounters. Our concern is that the supervisor apparently had not noticed the Encounter Spreadsheet showed zero encounters, which suggests the tool is not effectively serving as a control.

Related to these test results and the importance of monitoring employee performance, we reviewed employee evaluations to determine the extent that lack of productivity was mentioned. 7 case managers did not meet the monthly expectation (even after our adjustments) in 3 or more of the 6 months. However, this was only mentioned in 1 of the 7 employee's evaluations.

The DD Program is eligible to receive a specified maximum amount from the State each year to provide DD services, and bills qualifying encounters until that amount has been reached. The

Program reported that it generally reaches the maximum dollar amount several months before the end of the year and that if some case managers are “short” qualifying encounters in some months, it does not necessarily impact DD revenue.

Regardless of whether there is a financial impact, general best practices suggest that supervisors should be monitoring productivity because a failure to achieve productivity standards can be symptomatic of an underlying performance issues that requires management attention. As noted above, the Encounter spreadsheet has the information that a supervisor would need to monitor productivity.

We recommend that the Program establish written expectations and procedures to ensure and document that supervisors are monitoring productivity.

The Tracker Spreadsheet and Its Use in Tracking Quarterly Contacts

The DD Program has created a “Tracker” spreadsheet for use in case management and supervisory monitoring of case managers. The Program Manager stated that the supervisors are expected to perform routine monitoring of the “Tracker” spreadsheets to ensure quarterly contacts and other required activities are occurring. Some supervisors reported that they update the Tracker for their staff based on electronic files, while others allow the case managers to do it themselves.

Each case manager has a Tracker that includes all of that case manager’s clients. One of the tabs⁶ on the Tracker is used to document when the case manager performs the required quarterly contact with the client or their parent/guardian. The Quarterly Tracker tab looks like this:

Quarterly Tracker

		2022			1Q	2Q	3Q	4Q		
LAST NAME	FIRST NAME	PLAN START	LDC DUE	SE	JAN	APRIL	JULY	DEC	PHONE	PARENT/GUARDIAN/PREFERRED CONTACT
		03/01/22	N/A	150	1/10	4/28				email/phone
		04/01/22	03/31/23	151	2/22	4/5				phone/email
		04/01/22	03/31/23	151	2/7	4/14				email

The Program has not established procedures whereby supervisors are required to document completion of this monitoring activity or the results of the monitoring.

We selected a sample of 29 clients assigned to 10 Case Managers and reviewed the associated Trackers and case files to determine if quarterly contacts are occurring and documented on the Tracker. We reviewed calendar year 2022 1st and 2nd quarter contacts.

Issues were identified with 7 quarterly contacts involving 4 of the 10 case managers included in the sample. Specifically, in reviewing the Trackers we found that:

⁶ The individual pages of an Excel spreadsheet are commonly referred to as tabs or worksheets.

- 1 case manager did not appear to be updating the quarterly contact section of his/her Tracker for any clients. When we brought this to the supervisor’s attention, the supervisor responded, “Not all staff mark off their quarterly monitoring on there [sic] trackers.”
- 1 case manager had not, as of July 2022, added 2 individuals who were new or returning clients as of March 2022. Multiple case notes did exist for each of the clients, so it does appear the clients were receiving the required contacts. However, failure of these clients to be on the Tracker highlights that the Tracker cannot serve as an effective monitoring tool if the clients are not added to it.
- 1 case manager appeared to have missed one quarterly contact for one client reviewed.
- 1 case manager did not show a quarterly encounter in April 2022 for a recently transferred client, although a case note documented that the encounter occurred.

These results suggest that monitoring may not be occurring as expected or it is not occurring effectively.

We recommend that expectations be formalized in policy and that the Program develop monitoring procedures that include a process for documenting that monitoring occurred.

The Tracker Spreadsheet and Its Use in Documenting Completion of an ISP

An Individual Service Plan (ISP) is required to be completed within 60 days of an eligibility determination. This is also tracked on the Tracker Spreadsheet.

Our test of 29 clients’ electronic files found that an ISP had been completed for each client. However, one client file appeared to have an ISP from a different client saved.

Because this test did not give us any concern about the Program’s ability to perform this duty within the required timeframe, we are not making any recommendations to enhance supervisory monitoring of the case managers performance in this area.

Making eligibility determinations within the required timeframe

Oregon Administrative Regulation (OAR) 411.320.0080 establishes timeliness requirements to ensure applications are processed in a timely manner. Per the OAR:

- After an initial application is submitted, the County has 90 days to work collaboratively with the individual or legal guardian to gather all the needed records (e.g., medical and educational records) and for a psychological evaluation to be completed. The initial application plus the required additional documents are referred to as a “completed application”

- After the 90 days, assuming the initial application has evolved into a completed application, the County has 10 days to make the determination.

The Program assigns two staff positions to this function, though one of the two positions is currently vacant.

The Program has developed an eligibility spreadsheet that is used to track all pending applications. It looks like this:

Last Name	First Name	Phone #	Date of Birth	Mailed App. Date	Trans/Contact Info	App. Date	ES	Re	30 days (Mailing Deadline)	30 Day Follow up	10/30 day Review by Date	90 Day Review	Memo/Transmittal date	Eligible/Transfer Date	Transfer File Received	Desist 90-Days
				Emailed by Becca 7/7/2022		07/29/2022	LF-RH	notes	NA	NA	07/30/2022	10/18/2022				
				04/14/2022		04/19/2022	LF	notes	05/14/2022			07/19/2022				
				03/09/2022		04/22/2022	LF	notes	04/08/2022	05/17/2022		07/21/2022				
				06/02/2022		07/11/2022	LF-RH	notes	07/02/2022	08/08/2022		10/09/2022				

We selected a sample of 20 applications to review. We found that 4 determinations had not been made within the required timeframe but that in all instances case notes indicated there were legitimate reasons as to why not. In one case, the applicant had agreed to an extension so that additional medical tests could be conducted. In the other cases the DD staff had to make multiple requests for documentation from medical specialists before eligibility could be determined.

Because this test identified the Program is appropriately documenting it’s attempts to gather the needed medical documents from providers, we are not making any recommendations to enhance supervisory monitoring of the case managers performance in this area.

Case File Review Tools and Expectations

The Program has developed a detailed checklist that can be used by supervisors when reviewing a case file. However, it is not required that all supervisors use this form and not all do use it. Moreover, there is no formal expectation as to the number of file reviews a Supervisor should perform in a specified period. As detailed above, our impression is that the Program needs a more structured and formalized approach to supervision.

For example, below is the documentation one supervisor uses to document case file reviews instead of using the detailed checklist:

Staff name: [REDACTED]

Date	Topic	Who	Results
5/2/22	File Review	[REDACTED]	ISP goals align with the ONA and supports needs are well written. Case Notes up to date. PCI good and RIT matches the ONA.
5/5/22	Encounter sheet	[REDACTED]	Encounters and case actions are accounted for in the Case Notes.

The detailed checklist we mentioned above is 2 pages long. We have included it as Attachment A to this report. Here are just the first few lines of the tool, which demonstrate its thoroughness:

STAFF FILE REVIEW				
Service Coordinator:				
Name of Individual:		Date of Current ISP: 12/1/2019		
Supervisor Conducting Review:		Date of Review: 2/28/20		
RECORDS REVIEWED: ISP <input checked="" type="checkbox"/> Protocols <input type="checkbox"/> Behavior Plan <input checked="" type="checkbox"/> RIT <input checked="" type="checkbox"/> PCI <input checked="" type="checkbox"/> ONA <input checked="" type="checkbox"/> Progress Notes				
ISP REVIEW				
	Yes	No	N/A	Notes/Concerns/Needs
Is the ISP signed prior to implementation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Was the ONA assessment or review completed on time?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ONA dates in eXPRS matches with case notes?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are all sections of the ISP filled out completely?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Additional implementation strategies expected?
Is the PCI updated?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Is the RIT updated?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
All risks identified on RIT addressed in the Risk Management Plan?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

We recommend that management standardize use of the aforementioned case file checklist and develop a formal expectation as to the number of files that should be reviewed.

Chapter 4 Risk of Fraud

As part of this general program audit, we considered the risk of fraud and whether controls appropriately mitigate against those risks.

Risk of Theft of Time

Time theft is its own sub-category of fraud. This risk increases in an environment where there is minimal supervision, such as when employees work from home, and when there is minimal monitoring of productivity. Both these conditions currently exist in the DD Program and therefore Program Management needs to be proactive in protecting the County from this risk.

Concurrent with the drafting of this report, County HR was drafting a policy to govern telework. The policy will require departments that allow telework to establish systems to monitor employee whereabouts and productivity.

We recommend that the Program, in accordance with the telework policy requirements and in conjunction with this report's recommendations concerning monitoring, develop robust monitoring systems to mitigate against the risk of time theft.

Medicaid Fraud

Billing the State for encounters which are not documented in the required case notes could be construed as Medicaid fraud.

As discussed in Chapter 3, there have been instances when encounters have not been supported by case notes.

We recommend the Program, as discussed in Chapter 3, implement controls to minimize the risk of billing for an encounter that is not supported by a case note.

Risk of Theft Through Purchasing Card Abuse

As indicated in the Introduction, purchases of materials and supplies are limited. The M&S subcategory Operating Expenses accounted for \$177,358 and the subcategory Travel accounted for \$1,111 of FY21-22 expenditures. In reviewing purchase and authorizing paperwork, we found that the Program adheres to County practices regarding the use of procurement cards (PCards). Moreover, our work included a review of purchases and all reviewed purchases appeared reasonable and consistent with the activities of the Program. Therefore, we do not recommend any additional activities in this area.

Summary of Recommendations

1. We recommend that the Program develop a policy and procedure to reduce the risk that encounters will be billed without the existence of the required case note.
2. We recommend that the Program establish written expectations and procedures to ensure and document that supervisors are monitoring case manager's productivity.
3. We recommend that expectations be formalized in policy and that the Program develop monitoring procedures to ensure case managers are making the required quarterly contacts. The procedure should include a step for documenting that the monitoring occurred.
4. We recommend that management standardize use of the aforementioned case file checklist (See Appendix A) and develop a formal expectation as to the number of files that should be reviewed.
5. We recommend that the Program, in accordance with the telework policy requirements and in conjunction with this report's recommendations concerning monitoring, develop robust monitoring systems to mitigate against the risk of time theft.

Management Response

TO: Eric Spivak, County Auditor

FROM: Rick Hammel, Development Disabilities Program Manager

CC: Stacy Brubaker, Health and Human Services Department Director

DATE: September 6, 2022

RE: Response to the 2022 JCDDS Audit

We appreciate the time and effort the Auditor's office put into the JCDDS 2022 Audit. Accelerated growth to the Division during a pandemic has come with challenges. Since the beginning of the pandemic JCDDS has gone from two supervisors to four with an increase of budgeted Case Manager FTE from 26 to 36. Currently 10 of the 28 filled Case Management FTE were hired since May 2020. Given that the pandemic has created some obstacles in the onboarding of new staff, overall the recommendations noted are not unexpected, and staff will be returning to the HHS building, where there will be additional opportunities for supervision, mentoring and team building.

Please see our response and plans to the "Summary of Recommendations". We would appreciate any additional feedback as you see fit, and aim to provide the services to the individuals in need based on the requirements within our IGA and according to the OAR's.

Summary of Recommendations

1. We recommend that the Program develop a policy and procedure to reduce the risk that encounters will be billed without the existence of the required case note.

RESPONSE: JCDDS will formalize and account for a routine engagement by supervisors with all of their Case Managers. We have historically expected once a month supervision but will move to twice a month along with twice a month team meeting. These routine Supervision meetings will need to maximize supervisory support around Person Centered Case Management.

2. We recommend that the Program establish written expectations and procedures to ensure and document that supervisors are monitoring case manager's productivity.

RESPONSE: While the Audit focuses on business-oriented accounting needs, that's not the priority for the State of Oregon's Office of Developmental Disabilities Services. The priority is to provide and assure the children and adults we serve are achieving true Person-Centered planning and Person-Centered paid support services.

3. We recommend that expectations be formalized in policy and that the Program develop monitoring procedures to ensure case managers are making the required quarterly contacts. The procedure should include a step for documenting that the monitoring occurred.

RESPONSE: As part of an overall effort with in Health and Human Services, JCDDS is currently working on Policies and Procedures. We already have policies on Case Noting and billables, but with four distinct teams now, we'll have a Policy on Supervision addressing routine engagement as noted above. Addressing the areas of concern by the Audit for new Policies and Procedures will be a part of this ongoing work over the remaining part of the fiscal year and beyond.

4. We recommend that management standardize use of the aforementioned case file checklist (See Appendix A) and develop a formal expectation as to the number of files that should be reviewed.

RESPONSE: JCDDS will implement the concept of the "case file checklist" as part of its overall Quality Improvement efforts as outlined above. Working with the managers and the staff that are identified as part of the overall Quality Assurance effort within the Division. This expectation will also be included in any policy or procedure around expectations or documentation.

5. We recommend that the Program, in accordance with the telework policy requirements and in conjunction with this report's recommendations concerning monitoring, develop robust monitoring systems to mitigate against the risk of time theft.

RESPONSE: The Audit office provided no evidence of time theft and my experience is the opposite: people not taking breaks and likely working over 40 hours per week while remote. We have worked to remind individuals that this is not acceptable but believe that it still happens on occasion. Once the telework policy is finalized, we will abide by that county policy to determine any appropriate use of telework and avoid any concerns about time theft.

Appendix A

STAFF FILE REVIEW				
Service Coordinator:				
Name of Individual:		Date of Current ISP: 12/1/2019		
Supervisor Conducting Review:		Date of Review: 2/28/20		
RECORDS REVIEWED: <input checked="" type="checkbox"/> ISP <input checked="" type="checkbox"/> Protocols <input type="checkbox"/> Behavior Plan <input checked="" type="checkbox"/> RIT <input checked="" type="checkbox"/> PCI <input checked="" type="checkbox"/> ONA <input checked="" type="checkbox"/> Progress Notes				
ISP REVIEW				
	Yes	No	N/A	Notes/Concerns/Needs
Is the ISP signed prior to implementation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Was the ONA assessment or review completed on time?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ONA dates in eXPRS matches with case notes?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are all sections of the ISP filled out completely?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Additional implementation strategies expected?
Is the PCI updated?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Is the RIT updated?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
All risks identified on RIT addressed in the Risk Management Plan?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are the assessed needs identified in the ONA captured in the ISP?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are supports & protocols in place as identified on the ISP?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PSW, YTP, or VR in ISP, but no plan in place to address
Are identified RN delegated tasks being trained?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Is a FA/PBSP in place?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Has the PBSP been updated annually?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Are appropriate risks included in the PBSP?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Are services being provided as described in the plan?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	New to K-Plan services as of 12/1/2019-no documentation/CN on the plan
Are individualized goals/desired outcomes being implemented?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	New to K-Plan services as of 12/1/19-no documentation/CN on the plan

CASE MANAGEMENT CONTACT REVIEW				
	Yes	No	N/A	Notes/Concerns/Needs
Is cm contact occurring as indicated in the ISP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are quarterly contacts (CMCs) occurring a timely manner?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	New to services in 2019 and new to K-Plan services
Are the following addressed at least annually in a CMC prog note? 1. Health and Safety 2. Changes in support needs 3. Satisfaction with supports	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Is there documentation of at least one annual home visit?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Is there documentation of an annual face to face?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are QEs documenting a billable case management service?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Date	Comments	Follow Up Necessary	Responsible Party	Time Line

Jackson County

Internal Audit Program

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www.jacksoncounty.ethicspoint.com



Eric Spivak, County Auditor

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