



PAT FRANK  
Clerk of the Circuit Court  
13th Judicial Circuit

COUNTY AUDIT

HILLSBOROUGH COUNTY, FLORIDA

DRUG ABUSE COMPREHENSIVE COORDINATING OFFICE

DELIVERABLES CONTRACT COMPLIANCE AUDIT

REPORT # 261

May 13, 2014



May 13, 2014

The Honorable Mark Sharpe, Chairman  
The Honorable Kevin Beckner  
The Honorable Victor D. Crist  
The Honorable Ken Hagan  
The Honorable Al Higginbotham  
The Honorable Lesley "Les" Miller  
The Honorable Sandra L. Murman

Dear Chairman Sharpe and Commissioners:

The Audit Team performed an audit of the County's Agreement with the Drug Abuse Comprehensive Coordinating Office (DACCO) to provide residential treatment services for alcohol and substance abuse (Audit Report # 261, dated May 13, 2014). Responses to the Audit Team's recommendations were received from the Director of Health Care Services and have been included in the report after each audit comment and recommendation.

The Audit Team appreciates the cooperation and professional courtesies extended to the auditors by the Director and personnel of Health Care Services during this audit.

Sincerely,

Peggy Caskey, CIA, CISA, CFE  
Director of County Audit

CC: Mike Merrill, County Administrator  
Carl Harness, Chief, Human Services Administrator  
Gene Earley, Director, Health Care Services Division, Human Services  
Bruce Dangremond, Performance Mgmt, Business and Support Services

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## **EXECUTIVE SUMMARY**

### **BACKGROUND INFORMATION**

On December 2, 2009, the Board of County Commissioners (BOCC) approved an agreement with DACCO to provide court-ordered residential alcohol abuse treatment and residential substance abuse treatment as an alternative to incarceration. The Agreement includes outpatient substance abuse treatment services. This Agreement was renewed several times and expires September 30, 2014. The Agreement's annual maximum amount allowed is \$753,903.

On September 22, 2010, the BOCC approved the first modification of the Agreement (BOCC Document #10-0949) which incorporated certain terms, provisions, and conditions of the Non-Institutional Medicaid Provider Agreement, which was required by the Florida Agency for Health Care Administration (AHCA) as a condition to approving the County as a Medicaid provider for the Match Program.

On August 17, 2011, the BOCC approved the second modification of the Agreement (BOCC Document #11-0711). Among other things, the Agreement permits the County Administrator, in any renewal of the Agreement, to increase or decrease the not-to-exceed amount of annual funds payable to DACCO in the adopted BOCC budget. The County Administrator may increase or decrease the client treatment day rates and corresponding units of service requirements proportionately.

### **OBJECTIVE**

The objective of the audit was to determine whether or not DACCO complied with the deliverable stipulations in its Agreement with the County, whether or not the deliverables were appropriate, and whether or not the County was invoiced the correct amount.

**SCOPE**

The scope of the audit was to review and evaluate the County's internal controls over processing and paying invoices received from DACCO. The scope included audit procedures to evaluate whether or not the services and documentation provided by DACCO were appropriate based on the County Agreement. The audit period covered the six month period from July 1, 2013, to December 31, 2013. To determine if the total annual dollar amount and number of client treatment days billed were within the Agreement's maximum amounts allowed, the audit period was expanded to include an additional nine invoice payments covering the complete contract year (ending September 30, 2013).

**OVERALL EVALUATION:**

<b>AUDIT COMMENT</b>	<b>CONCLUSION OF OBJECTIVE</b>	<b>PAGE REFERENCE</b>
1	DACCO complied with the deliverable stipulations of the Agreement.	page 4
2	DACCO's deliverables were appropriate and the County was invoiced for the correct amount.	page 7

**OPINION**

In the County Audit Department's opinion, DACCO complied with the deliverable stipulations in the Agreement with the County, the deliverables were appropriate, and the invoice amounts were accurate.

The recommendations made in this report represent opportunities to strengthen monitoring controls over the Agreement with DACCO.

**AUDITED BY**

Peggy Caskey, Director of County Audit

Steve Hooper, Audit Manager

Ben Everett, Staff Auditor

## AUDIT COMMENTS & RECOMMENDATIONS

### AUDIT COMMENT 1

#### **DACCO complied with the deliverable stipulations of the Agreement.**

DACCO bills the County each month for residential treatment services provided to clients in the program. The invoice amounts are calculated based on the total number of client treatment days and if the client had multiple disorders or only one disorder (called co-occurring or non co-occurring, respectively).

The Audit Team examined all six invoices that were processed during the six month audit period ending December 31, 2013, to determine whether or not DACCO complied with the deliverable stipulations of the Agreement. The Audit Team re-calculated the invoice dollar amounts to determine whether or not the County was billed correctly. The type of services billed to the County complied with the requirements of the Agreement and the dollar amounts billed were accurate.

The Audit Team identified administrative errors on the six invoices examined. The errors included clerical discrepancies (inaccurate number of client treatment days), improperly scanned pages (chopped off), and a missing page (a required report). Three invoices indicated there were clients in non co-occurring status when they were co-occurring. None of the above mentioned clerical discrepancies created financial billing or payment errors during the audit period but could easily cause incorrect billing or payments.

The Agreement stipulates that DACCO must provide incident reports if any adverse events occur in the program, including when a client absconds from residential treatment. The County did not have an incident report on file for each of the abscond incidents that occurred during the six-month audit period.

To determine whether or not the total dollar amount and number of client treatment days billed were within the Agreement's annual maximum amount allowed, the audit period was expanded to include an additional nine invoice

payments covering the complete contract year (July 1, 2012, to September 30, 2013). The Audit Team determined that DACCO complied with the Agreement's maximum amounts allowed for the selected contract year.

During the examination of the additional nine invoice payments and the six from the audit period, the Audit Team noted that the invoices included the client's identifier number, which is actually the client's social security number. The invoice does not title the identifier number as the client's social security number. Normally, personal information is redacted when invoices are scanned and saved to OnBase. The Audit Team noted that social security numbers had been redacted on seven of the 15 invoices examined in OnBase.

### **RECOMMENDATION**

Consideration should be given to:

1. Implementing a process to follow up with DACCO on any identified administrative errors on invoices;
2. Improving controls for monitoring incident reports in the program; and
3. Implementing a quality assurance procedure over the scanning process to ensure documents saved in OnBase are complete and non public or HIPAA information is properly redacted.

### **CLIENT RESPONSE**

*Concur*

### **CORRECTIVE ACTION PLAN**

Processes have been implemented to better identify and follow-up with DACCO on administrative errors found on the invoices. A list of common errors and invoice fields needing verification has been included with the procedure for reviewing DACCO invoices.

Incident reports were not being received due to staffing changes within the FSS Contracts Section and the removal of the fax machine in that area. We have received the missing incident reports and DACCO has been instructed to fax all future incident reports to Department staff. The Department will forward copies of the reports to FSS Contracts for their files, as needed. Procedures have also been included in the invoice review procedure to check for incident reports.

Through February 2014, all invoices were scanned into ONBASE by FSS Accounting staff. Since the invoices are now scanned by Department staff, we can directly oversee this process to ensure an accurate and legible scan. An electronic copy of the invoice is retained by the Department and the invoice is uploaded into ONBASE. The document will be reviewed to ensure that it is legible and complete when scanned and again at the time of upload to ONBASE. A final review to ensure that any confidential information is redacted will be done at the time of upload to ONBASE.

***TARGET COMPLETION DATE***

April 30, 2014

**AUDIT COMMENT 2**

**DACCO's deliverables were appropriate and the County was invoiced for the correct amount.**

When DACCO invoices the County each month, a list of client treatment days is included. This list shows partial information for each client and how many client treatment days the client received during that month. This information is prepared by DACCO based on documentation that it maintains in each client's file.

The Audit Team evaluated controls over the invoicing process by interviewing County and DACCO personnel and mapping out the process. The Audit Team selected a sample of five clients from each invoice submitted during the audit period. The sample of 30 clients was examined to determine whether the client treatment days billed to the County were for eligible clients. The Audit Team found that treatment services were provided and that the clients were eligible for the program. The number of client treatment days billed was fairly stated.

There does not appear to be a process for Health Care Services to ensure that the client treatment days billed were accurate. Invoices are approved for payment without verifying that treatment services were provided to eligible clients. For contracts with outside agencies, staff typically performs an annual physical monitoring visit to ensure compliance with the Agreement. Health Care Services was not able to provide the Audit Team with the date of the most recent monitoring visit at DACCO. Health Care Services did provide a plan that listed DACCO as one of its vendors scheduled for an annual physical monitoring visit.

**RECOMMENDATION**

Consideration should be given to monitoring the accuracy of the client treatment days billed on monthly invoices; and conducting physical monitoring

visits at DACCO, with a procedure to test a sample of invoices for accuracy and client eligibility.

***CLIENT RESPONSE***

*Concur*

***CORRECTIVE ACTION PLAN***

Verifying the accuracy of client treatment days will be done with the annual monitoring. DACCO is currently scheduled for a monitoring visit in September 2014. The annual monitoring will include a random sampling from the client's invoices to test for accuracy and client eligibility.

***TARGET COMPLETION DATE***

September 30, 2014