

Office of the Inspector General  
**Miami-Dade County**

**FINAL**  
**Audit Report**

United Home Care Services, Inc.

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An audit conducted by the Office of the Inspector General of the Miami-Dade Department of Human Services' contract with United Home Care Services, Inc. for the provision of services to elderly homebound individuals residing in Miami-Dade County.

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**July 1, 2002**

## **TABLE OF CONTENTS**

<b>AUDIT REPORT</b>	<b>PAGE</b>
I. INTRODUCTION	1
II. SUMMARY OF FINDINGS	2
III. RECOMMENDATIONS	4
IV. GOVERNING AUTHORITIES	6
V. AUDIT SCOPE & OBJECTIVES	9
VI. BACKGROUND	10
VII. AUDIT RESULTS	10
 <b>A. ANALYSIS OF UNIT COST RATES FOR FY 2000-2001</b>	
1. OIG’S ATTEMPTED VERIFICATION OF UHCS UNIT COST RATES FY 00-01	10
2. ANALYSIS OF REVISION OF UNIT COST RATES FOR FY 00-01 FOR DISALLOWABLE COSTS	13
 <b>B. BILLING FOR SERVICES TO MIAMI-DADE COUNTY</b>	
1. UNTIMELY SUBMISSION OF UHCS INVOICES TO MIAMI-DADE COUNTY	16
2. SAMPLE METHODOLOGY USED BY OIG AUDITORS	18
3. UNIDENTIFIED CLIENT BILLED AS “UTIL1”	19
4. REVIEW OF UHCS PERSONNEL TIMESHEETS	20
a. Background	20
b. OIG Audit Observations & Findings	21
c. Unit Cost Rates for Each Home Service per Agreement	22
d. Computation of Error Rate Percentage in Audit Sample	23
e. Amount Overpaid by Miami-Dade County to UHCS	24
f. Erroneous Billing for “Home Health Services”	27
5. REVIEW FOR DOUBLE BILLING OF FUNDING SOURCES	30
 <b>C. REVIEW OF CONTRACTOR MONITORING BY DHS</b>	
1. COUNTY CONTRACT MONITORING POLICIES & PROCEDURES	33
a. Contract Monitoring Performed by the Division	34
2. ALLIANCE FOR HUMAN SERVICES – CONTRACT MONITORING TOOL	38
3. MONTHLY PROGRESS REPORTS FROM UHCS	41
a. Monthly Progress Reports Submitted Late	41
b. Final Progress Report Not Received from UHCS	43
 <b>APPENDIX AND EXHIBIT LIST</b>	44

**July 1, 2002**

## **I. INTRODUCTION**

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United Home Care Services, Inc. (UHCS) is a licensed home health agency, which provides in-home eldercare services that enables individuals to remain at home independently. UHCS provides services to elderly individuals who are home bound and need assistance with their daily living activities. Such services include skilled nursing, registered dietitians, therapies, licensed clinical social workers and certified home health aides. Miami-Dade County contracts with UHCS for the provision of eldercare services to qualifying County residents. The County's Department of Human Services (DHS), which is the County agency responsible for the provision eldercare services, oversees the administration of the UHCS contract and its program activities. DHS's mission is to "provide comprehensive social services to assist... [the] elderly...to attain self-sufficiency, to function independently, and to lead productive lives." During the one-year period of July 1, 2000 through June 30, 2001, the contract's value was not to exceed \$118,123.

In April 2001, a report was issued by a joint task force of State auditors and investigators from the State Offices of the Chief Inspector General and the Department of Elder Affairs (DOEA).<sup>1</sup> The audit, which only examined the State of Florida as a funding source, identified questionable business and operational practices involving UHCS. One of the findings indicated in the joint report, which pertained to "unallowable costs" built into the unit costs rates for services, drew the attention of the Miami-Dade County's Office of the Inspector General (OIG) because of its direct effect on the cost of services provided to elderly residents in Miami-Dade County.

Because of the findings documented in the joint task force audit report and based on the fact that only State of Florida monies were examined as a funding source, in March 2002 the OIG initiated an audit of the UHCS Agreement with Miami-Dade County, wherein county funds were expended. Specifically, the OIG's audit objectives were to verify the propriety of UHCS's unit cost rate methodology and the underlying cost components built into the unit cost rates billed to the County per its Agreement with UHCS. Another OIG audit objective was to evaluate the County's oversight of the UHCS Agreement, which is supposed to be accomplished through its contract monitoring functions.

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<sup>1</sup> The State Comptrollers Office, Division of Financial Investigations, conducted its own investigation of UHCS and corroborated the joint task force's findings. On January 18, 2002, a settlement was reached that requires UHCS to pay the DOEA \$330,000.

July 1, 2002

*In response to the OIG's Draft Report, responses to the OIG's findings and recommendations were provided by United Home Care Services, Inc., the County's Department of Human Services, and the Alliance for the Aging, Inc. (See Appendix.) For clarification purposes, the OIG addressed some of the issues raised by the respondents and has inserted additional comments herein, which are italicized.*

## II. SUMMARY OF FINDINGS

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Overall, the OIG's audit of Miami-Dade County's contract with United Home Care Services, Inc. (UHCS) revealed several significant findings which pertained to UHCS's unit cost rates charged to the County, billings for eldercare services, and the County's monitoring of UHCS program activities and compliance with the terms and conditions of the contract. Briefly, the OIG's audit findings include the following:

1. Inability to verify the accuracy of the unit cost rates charged to Miami-Dade County due to UHCS's lack of supporting documentation;
2. Inability to determine whether the component costs built into the fiscal year 2000–2001 unit cost rates include disallowed costs per Florida State Statutes due to UHCS's lack of supporting documentation;
3. Based on audit inquiry and review, the OIG found no evidence that UHCS restated its fiscal year 2000-2001 unit cost rates by removing all unallowable costs, as recommended by the Department of Elder Affairs;
4. Based on the OIG's extrapolation of the percentage error rate in the total hours billed to the County for the contract period, the County overpaid approximately \$7,620.22 (approximately 7% of the contract value) for UHCS eldercare services which lacked supporting documentation in the form of personnel time sheets;
5. The County was charged \$2,002 by UHCS for an unidentified client designated as "UTIL1," which was not associated with any person served by UHCS. It should be noted that this amount for the UTIL1 billings is included in the OIG's calculation of the \$7,620.22 noted in Finding No. 4 above;

*According to UHCS's response to the OIG audit finding above, UHCS indicates that UHCS was able to account for the "149 units" which equates to \$2,002, as services subcontracted by UHCS to three (3) eldercare service*

July 1, 2002

*providers. Based on the OIG's further inquiry into the propriety of the 149 hours billed to the County under the designation of "UTIL1," the OIG deems it appropriate that the County be refunded \$2,002, as part of the \$7,620.22 included in Finding No. 4 above, for payments received by UHCS for billings for services provided by unauthorized subcontractors per the County's Agreement with UHCS. (See also Recommendation No. 2 and italicized comments.) A more detailed analysis is discussed in Section VII.B.3. of this report.*

6. The County was erroneously charged \$7,199.75 (approximately 6% of the contract value) for "Home Health Services" not authorized or contracted for per the terms of the UHCS Agreement;

*See also Recommendation No. 3 and italicized comments noted thereafter. A more detailed analysis is discussed in Section VII.B.4.f. of this report.*

7. Insufficient contract monitoring performed by the County's Department of Human Services (DHS) for the UHCS Agreement. For instance, the monitoring included only one contract monitoring visit performed during the one-year contract term; purchase order invoices were stated to have been reviewed for a contract that is solely for the provision of in-home eldercare services; DHS did not conduct interviews with any of the UHCS personnel who provided eldercare services to confirm existence of the funded personnel; DHS conducted a walk through of the UHCS's administrative offices as opposed to visiting the clients at home who are served by UHCS, etc.;
8. Based on review of the information contained in the DHS Contract Monitoring Form for UHCS, it appears that the DHS Contract Officers were not adequately trained to monitor and assess UHCS's operational practices; and,
9. DHS and UHCS did not comply with the due date requirement specified in the Agreement for the Monthly Progress Reports given nine (9) reports were submitted late, two (2) monthly reports were never submitted, and the Final Progress Report was never provided to the County by UHCS.

**NOTE: For detailed explanation of the audit findings, see Section VII., Audit Results, which begin on 10 of this report.**

### III. RECOMMENDATIONS

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Based on the OIG's review and analysis of the UHCS Agreement with Miami-Dade County and the County's contract monitoring responsibilities, the following recommendations should be considered by County management:

1. As recommended by the Department of Elder Affairs, United Home Care Services, Inc. should correct the fiscal year 2000–2001 unit cost rates that were charged to the County by removing all disallowable costs for this fiscal period which also coincides with the term of the County's Agreement with UHCS (i.e. July 1, 2000 through June 30, 2001). Upon adjusting the unit cost rates for services paid by Miami-Dade County, UHCS should be required to refund the difference to the County, as the County would have been overcharged by the amount of the disallowable costs built into UHCS's unit cost rates.
2. The County should seek repayment from UHCS for \$7,620.22 overpaid during the term of the contract. The amount of the overcharge was calculated based on the OIG auditor's extrapolated error rate in the total hours billed to the County, as UHCS lacked any supporting documentation for personnel hours billed to the County (i.e., no time sheets were found in the UHCS files).

*According to UHCS's response to the OIG audit finding above, UHCS states that "the proper source document was not reviewed by the OIG" and indicates that "a contact log is the source document" for documenting personnel hours for Case Management Services. Further, for undocumented hours billed to the County for both Homemaker Services and Personal Care Services, UHCS attributed 149 hours billed to the County (i.e. UHCS accounted for 74 hours for Homemaker Services and 75 hours for Personal Care Services) to three (3) clients classified as "UTIL1," whose eldercare services were "subcontracted to three outside providers."*

*Despite UHCS's response to these audit findings, based on subsequent follow-up performed by the OIG auditors, the OIG maintains that it is appropriate for the County to seek repayment from UHCS in the amount of \$7,620.22, which includes \$2,002 billed under the "UTIL 1 designation." A more detailed analysis is discussed in Section VII.B.3. and Section VII.B.4.e. of this report.*

July 1, 2002

3. The County should seek repayment of \$7,199.75 from UHCS for erroneously charging the County for “Home Health Services” not authorized or contracted for per the terms of the Agreement.

*According to UHCS’s response, these erroneously charged services were explained by UHCS as “only a misclassification of a service” as “the rate billed under the service is consistent with the personal care contracted and approved rate...” Also accompanying UHCS’s response to the OIG’s Draft Audit Report, UHCS submitted numerous time sheets to support the home health services provided to this one (1) Miami-Dade County client. The OIG notes that during our onsite audit, NONE of these time sheets were found in the client file.*

*Based on the OIG’s follow-up analysis of the time sheets provided after-the-fact, which revealed numerous inaccuracies and duplications of time charged, the original audit finding regarding UHCS’s erroneous billing to the County for unauthorized Home Health Services is valid. Therefore, the County should seek a repayment from UHCS in the amount of \$7,199.75, for services neither authorized nor contracted for in the Agreement. A more detailed analysis is discussed in Section VII.B.4.f. of this report.*

4. The Department of Human Services should adopt the Administrative Assessment Tool assembled by the Alliance for Human Services and use this contractor monitoring form for its contract oversight responsibilities. The Administrative Assessment Tool is significantly more detailed-oriented than the Monitoring Form currently used by the County’s DHS Contract Officers, particularly in regards to fiscal management oversight.
5. Further, in order to maximize the benefits of utilizing the new Administrative Assessment Tool, Contract Officers should be provided with additional training with regards to how to adequately review accounting records, supporting documentation, etc. To accomplish this, it is highly recommended that the Department of Human Services coordinate its training needs with the Alliance for Human Services to increase the quality and effectiveness of the County’s contract monitoring.
6. The Department of Human Services should formally request in writing for UHCS to provide the Final Progress Report as required per Section XIV, paragraph G, “Final Report / Recapture of Funds,” under the Agreement. The

**July 1, 2002**

Final Progress Report was due on August 14, 2001, which was forty-five (45) days after the Agreement expired on June 30, 2001. Also, DHS should give a specific timeframe to UHCS for providing the Final Progress Report in order to hold UHCS accountable for producing this report.

7. A quality assurance review of UHCS's cost allocation methodology, including ensuring the current accounting system properly tracks all financial transactions by funding source and identifies unallowable costs, should be performed by the County as a condition of any contract renewal with UHCS.

## **IV. GOVERNING AUTHORITIES**

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The OIG cites the following that sets forth the authoritative mandate of the OIG to conduct audits of county Departments, which provide justification for the performance of this audit.

### **A. Sections 2-1076(c)(1) of the Code of Miami-Dade County**

According to §2-1076(c)(1) of the Code of Miami-Dade County, the OIG "shall have the authority and power to review past, present, and proposed County and Public Health Trust programs, accounts, records, contracts and transactions."

### **B. Agreement between Miami-Dade County and United Home Care Services, Inc. (October 2, 2000).**

1. **Section XIV. Payment Procedures, Paragraph C, "Request for Payment,"** provides for the following:

"The County agrees to pay or reimburse all budgeted costs incurred by the Provider which are allowable under County guidelines. In order to receive payment for all costs, the provider shall submit an approved payment request form (Attachment C) on a monthly/quarterly basis to the Department. Monthly/Quarterly reimbursement requests and accompanying documentation must be received by the Department no later than the 25th of the month following the month/quarter for which reimbursement is requested. Payment shall be made by the County Finance Director upon presentation of monthly/quarterly operating payment



July 1, 2002

requests, approved by the Director /Designee of the Provider's Agency and the Department.

The County will not approve payments for in-kind or volunteer services provided by the Provider on behalf of the project. The Department shall accept originals of invoices, receipts and other evidence of indebtedness as proof of expenditure. When original documents cannot be produced, the Provider must adequately justify their absence in writing and furnish copies as proof of the expenditures.”

2. **Section XIV. Payment Procedures, Paragraph G, “Final Report / Recapture of Funds,”** provides for the following:

“Upon the expiration or termination of this Agreement, the Provider shall submit the final monthly report to the Department no more than thirty (45) days after the expiration or termination of this Agreement. If after receipt of such final report, the Department determines that the Provider has been paid funds not in accordance with the Agreement, and to which it is not entitled, the Provider shall return such funds to the County or submit appropriate documentation. The County shall have the sole discretion in determining if the Provider is entitled to such funds and the County's decision on this matter shall be binding. Additionally, any unexpended or unallocated funds shall be recaptured by the County.”

3. **Section XVI. Records, Reports, Audits, Monitoring and Review, Paragraph I, “Progress Reports,”** provides for the following:

“The Provider shall furnish the Department with written monthly progress reports (Attachment F) on the achievement of its goals as outlined in its Scope of Services. The reports shall explain the Provider's progress for that month. The data should be quantified when appropriate. Said reports are due by the 25th day of the month following the end of each month. The final progress report shall be due forty-five (45) days after the expiration

or termination of this Agreement.”

4. **Section XVI. Records, Reports, Audits, Monitoring and Review, Paragraph J, “Monitoring: Management Evaluation Performance,”** provides for the following:

“...The Provider agrees to permit County personnel to perform random unscheduled monitoring, reviews and evaluations of the program, which is the subject of this Agreement. The Department shall monitor both fiscal and programmatic compliance with all the terms and conditions of the Agreement. The Provider shall permit the Department to conduct site visits, client assessment surveys, and other techniques deemed reasonably necessary to fulfill the monitoring function. A report of the Department's findings will be delivered to the Provider and the Provider will rectify all deficiencies cited within the period of time specified in the report. If such deficiencies are not corrected within the specified time, the County may suspend payments or terminate this Agreement. The Department shall conduct one or more formal management evaluation and performance reviews of the Provider. Continuation of this Agreement or future funding is dependent upon satisfactory evaluation conclusions.

5. **Section XVI. Records, Reports, Audits, Monitoring and Review, Paragraph K, “Client Records,”** provides for the following:

“The Provider shall maintain a separate individual case file for each client/family served. This case file shall include all pertinent information regarding case activity. At a minimum, the case file will contain referral and intake information, treatment plans, and case notes documenting the dates services were provided and the kind of service provided. These files shall be subject to the audit and inspection requirements under Article XVI. Section F, G, H and J of this Agreement.

July 1, 2002

6. **Section XVI. Records, Reports, Audits, Monitoring and Review, Paragraph D, “Accounting Records, provides for the following:**

“The Provider shall keep accounting records which conform with generally accepted accounting principles. All such records will be retained by the Provider for not less than three (3) years beyond the term of this Agreement.”

7. **Section XVI. Records, Reports, Audits, Monitoring and Review, Paragraph E, “Access to Records: Audit,” provides for the following:**

“The County reserves the right to require the Provider to submit to an audit by an auditor of the County's choosing. The Provider shall provide access to all of its records which relate to this Agreement at its place of business during regular business hours. The Provider agrees to provide such assistance as may be necessary to facilitate their review or audit by the County to insure compliance with applicable accounting and financial standards.”

8. **Section XVI. Records, Reports, Audits, Monitoring and Review, Paragraph G, “Office of the Inspector General,” contains boilerplate language pertaining to the “right-to-audit” provisions, which allows the Miami-Dade County Office of Inspector General to perform random audits on all County contracts.**

## **V. AUDIT SCOPE & OBJECTIVES**

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The scope of the audit encompassed the period July 1, 2000 through June 30, 2001. This timeframe coincides with the term of the Agreement. The objectives of the OIG's review were as follows:

1. Determine the propriety of the cost components used to develop the unit cost rates charged by UHCS for eldercare services;
2. Assess the accuracy of the billing for services provided to Miami-Dade County elderly citizens; and,
3. Evaluate the sufficiency of the contract monitoring and oversight performed by Miami-Dade County's Department of Human Services.

July 1, 2002

## VI. BACKGROUND

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The State of Florida employs a multi-level contracting structure for administering eldercare service programs. The DOEA is the primary State agency for administering eldercare services and has a layered contracting structure with over 1,100 contracts to administer elder programs, with approximately \$230 million in funding allocated to these programs. The State is divided by geographic region into eleven (11) Planning and Service Areas (PSAs) and there is one (1) Area Agency on Aging (AAA) within each of the eleven PSAs. The AAA's are responsible for administering the program services for eldercare in each PSA. Miami-Dade County is part of PSA Region 11 and the "Alliance for Aging, Inc" is the AAA for Region 11. Within each PSA, there are "local lead agencies" that contract with the AAA's to directly provide elder care services. United Home Care Services, Inc. (UHCS) is Miami-Dade County's lead agency.

## VII. AUDIT RESULTS

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### **A. ANALYSIS OF UNIT COST RATES FOR FY 2000-2001**

#### **1. OIG's Attempted Verification of UHCS Unit Cost Rates for FY 2000-2001**

United Home Care Services, Inc. (UHCS) submits its unit cost rates each fiscal year to the Area Agency on Aging (AAA) for approval of the unit costs UHCS will charge for its various eldercare services. UHCS submits this information on a form known as the "Service Provider Application – S.P.A." which is a standardized form that must be submitted annually to the AAA for approval. Upon approval of the S.P.A., including the unit costs to be used for billing for services, United Home Care Services, Inc. is issued an "Award Sheet" from the AAA. The "Award Sheet" lists the approved reimbursement rates for eldercare services for the upcoming fiscal year and is effective until the end of that particular fiscal year. **UHCS's management stated that the unit cost rates approved by the AAA are the same unit costs that UHCS uses to bill all of UHCS's funding sources for in-home elder care services provided. Therefore, each funding source is billed the same unit cost rate for the duration of the fiscal year.** The OIG auditor confirmed with the State Department

**July 1, 2002**

of Elder Affairs that the unit cost rates charged to the State for the Community Care for the Elderly (CCE) funding source during fiscal year 2000-2001 were the same as the unit cost rates charged to the County.

As a result of the State DOEA's findings documented in the April 2001 report, which pertained to the inclusion of disallowed costs by UHCS in its unit cost rates computation, the OIG auditor attempted to verify the accuracy and propriety of the unit cost rates for each of the services contracted and billed by UHCS to the County for services provided under its Agreement.

On April 17, 2002, the OIG formally requested in writing a breakdown of the cost components used by UHCS to determine the unit cost rates for each of its elder care service provided to Miami-Dade County citizens.

The objective of this audit step was two-fold: (1) the OIG auditor would verify the accuracy of the rates for services billed to the County during the contract period July 1, 2000 through June 30, 2001; and, (2) by reviewing each "budget line item" factored into the Unit Rate Spreadsheet used by UHCS to calculate the unit cost rates, the OIG auditor would determine whether the component costs were allowable or disallowable per Florida State statutes.

On Monday, April 22, 2002, the OIG auditor obtained two (2) Excel files from UHCS which contained cost data for the fiscal years 2000 and 2001; however, the cost figures in the spreadsheets were input manually with no formulas or links to the underlying supporting detail cost data. The OIG auditor informed UHCS management of the non- functionality of these files.

On Tuesday, April 23, 2002, the OIG auditor was provided with several Excel workbooks, which purportedly contained the **original** information supporting UHCS's Unit Cost Rate Spreadsheet and the unit cost rates used by UHCS to bill the County. However, the OIG auditor observed that the respective unit cost rates documented in this Excel file were different than those billed to the County and did not agree to the unit cost rates per the Agreement. In fact, the unit cost worksheet provided to the OIG was for the Florida Department of Elder Affairs - DOEA (i.e. a different UHCS funding source), as indicated in the worksheet's title. **{See Exhibit A for UHCS Unit Cost spreadsheets.}**

After informing the Senior Vice-President of this situation, the OIG auditor was asked to discuss these issues with the Accounting Unit Manager for UHCS (Accounting Manager), as she was considered more capable of answering the OIG auditor's questions regarding the unit cost spreadsheets prepared by UHCS for fiscal year 2000 - 2001.

July 1, 2002

On April 30, 2002, the OIG auditor and the UHCS Accounting Manager met to discuss the differences between the contracted rates under the County's Agreement and the rates indicated in UHCS's detailed spreadsheet provided to the OIG auditor on April 23, 2002 (prepared for DOEA). The table below illustrates the difference in unit cost rates noted by the OIG auditor:

TYPE OF SERVICE	FY 00-01 UHCS's SPREADSHEET FOR UNIT COST RATES FOR DOEA	FY 00-01 UNIT COST RATES PER MIAMI-DADE COUNTY CONTRACT	UNIT COST RATES VARIANCES
Case Management	\$41.74	\$40.37	\$1.37
Chore	\$15.93	\$14.16	\$1.77
Homemaker	\$14.65	\$13.51	\$1.14
Personal Care	\$14.49	\$13.37	\$1.12
Respite	\$14.62	\$13.37	\$1.25

In response to the OIG auditor's questioning the difference in unit cost rates illustrated above, **the Accounting Manager provided yet another schedule of unit cost rates that was specifically created for Miami-Dade County as a funding source.** This schedule depicted the "Total Budgeted Cash Costs" less "Cash Matching" resulting in the "Adjusted Budgeted Costs," which, when divided by the "Total Budgeted Units," produced the "Adjusted Cost Per Unit of Service" listed in the Agreement for the County. The OIG auditor observed that the unit cost rates reflected on this schedule agreed to the unit costs for services in the County's Agreement with UHCS. **However, the Accounting Manager informed the OIG auditor that she "worked the numbers backwards from the Unit Cost Rates to the Total Budgeted Costs."** If this is the case, then the unit cost rates used to bill the County appear to be contrived by UHCS as though the unit cost rates were merely derived from the aggregate total budgeted costs for the given fiscal year. {See Exhibit B for the UHCS spreadsheet for Miami-Dade County.}

This individual unit cost rate schedule had no supporting documentation and did not reflect any revisions based on the DOEA's April 2001 findings related to disallowable costs and the DOEA recommendation to UHCS to restate the budgeted costs by excluding disallowable costs. In order to provide the Accounting Manager with some background about the original Unit Cost Rate spreadsheets being requested by the OIG auditor, the Accounting Manager was informed that **the UHCS Senior Vice-President had acknowledged to the OIG auditor that the expenses**

July 1, 2002

used to determine UHCS's unit cost rates for the period July 1, 2000 through June 30, 2001 included costs that were determined by the Department of Elder Affairs (DOEA) to be unallowable costs. Furthermore, the Senior Vice-President had also stated that these rates were not adjusted as a result of the State's findings; rather, a settlement of \$330,000 had been negotiated with the DOEA regarding the disallowable costs.

Thus, due to UHCS inability to produce any supporting documentation that would have allowed the OIG auditor to perform an analysis of the cost components that were used to calculate the unit cost rates billed to the County for services under this Agreement, it is inconclusive as to whether the unit cost rates charged to the County included such disallowable costs as excessive executive salary costs, car allowances, lobbying expenses, fundraising costs, credit card fees, etc. Should UHCS's inclusion of those costs, found to be disallowable under the State contract, be included as part of the County's unit cost rate, UHCS's stated unit cost rates to the County would also be wrongly overstated.

In conclusion, the OIG auditor could not verify the accuracy of the rates for services paid by the County during the contract period July 1, 2000 through June 30, 2001 or determine whether the component costs were disallowable per Florida State statutes.

## **2. Analysis of Revision of Unit Cost Rates for FY 2000-2001 by UHCS for Disallowable Costs**

In the April 2001 joint report of UHCS issued by the State Chief Inspector General and State Department of Elder Affairs, it was recommended by the State that UHCS revise its unit cost rates for services provided to DOEA by removing unallowable costs included in its unit cost rates that were passed through to the State. Specifically, based on sampled data for fiscal years 1999-2000 and 2000-2001, the DOEA found \$158,022 in unallowable expenses which included \$33,383 charged to an American Express Corporate account (AMEX); petty cash reimbursements of \$1,276; excessive salary in the amount of \$52,179 paid to the President of UHCS; travel expenses of \$1,116 paid to a lobbyist, lobbying expenses of \$36,000 and \$27,000 in fiscal years 2000 and 2001, respectively; and a \$7,068 coffee fund. Further, the expenses charged on the AMEX credit card were for the following disallowable expenses: fund-raising events, "credit card membership fees, travel and meals for meeting with legislative members, travel expenses for the lobbyist, travel expenses for meetings with individual members with the Community Care for the Elderly (CCE) Coalition, and local meals for senior management."

July 1, 2002

As a result of these findings, the State recommended “immediate action by UHC” which included the following, among other recommendations:

- “Review with the AAA all expenses charged to DOEA programs and make necessary corrections to ensure compliance with law and removal of unallowable costs for this and future grant years;
- “Adjust the unit cost for services based on adjusted costs.”

As a follow-up to the State’s recommendations, the OIG auditor inquired of UHCS management as to how it revised its FY 2000-2001 unit cost rates as recommended in the April 2001 State Chief Inspector General and DOEA’s joint report. The OIG auditor obtained a memorandum with attachments dated June 27, 2001 addressed to the State’s Chief Inspector General, Ms. Marcia Cooke, from Mr. Jose Fox, President and Chief Executive Officer of UHCS. This memorandum was UHCS’s formal response to the State’s findings and recommendations. The OIG auditor noted that UHCS’s Response No. 3 pertained to its “unit cost revisions” and stated the following:

“Attached is the revised unit cost for FY 2000-2001. In revising the unit cost we followed the recommendations made by the DOEA: a) we removed all the potential unallowable costs for the entire grant year.... In conclusion, where some services were affected by a decrease in cost, others were affected by an increase in cost. The cost savings realized after this exercise, following the recommendation made by the DOEA was approximately \$37,000.”

The OIG auditor reviewed the attachments submitted by UHCS to the State and found no evidence of the purportedly revised unit cost rates for fiscal year 2000 – 2001. Additionally, the OIG auditor reviewed the attached “Independent Accountant’s Report on Applying Agreed-Upon Procedures” completed by UHCS’s external auditors, “Sharpton, Brunson & Company – (SBC),” dated May 9, 2001. Based on review of this report, the OIG auditor found no evidence that either UHCS or their independent auditors restated the unit cost rates for fiscal year 2000-2001. In Section I of the SBC report, page 4, the independent auditors noted, **“SBC observed that the unit cost methodology prepared by the Agency [UHCS] has not been modified.”** Further, this report documents that the SBC auditors “inquired” of the Alliance for Aging, Inc. (i.e. the AAA for PSA Region 11 which Miami-Dade County is part of) and verified that UHCS “has complied with the unit cost methodology based on prior



July 1, 2002

unit cost methodologies submitted for approval.”

As an additional step, on May 15, 2002, the OIG Audit Manager inquired of the AAA for Region 11, which is the “Alliance for Aging, Inc.,” as to whether UHCS did in fact “review with the AAA all expenses charged to DOEA programs and make necessary corrections to ensure compliance with law and removal of unallowable costs for this and future grant years,” as recommended by the State auditors. The OIG Audit Manager contacted Mr. Pedro Jove, Director of Administration, for the “Alliance for Aging, Inc.” which is the Area Agency on Aging (AAA) for Region 11 in the State of Florida, and discussed this issue with Mr. Jove. **Per Mr. Jove, UHCS has not corrected its unit cost rates for fiscal year 2000-2001 by removing the disallowed costs contained in the rates, as recommended by the State.** Instead, Mr. Jove indicated that UHCS and the AAA agreed that for the next fiscal year 2001-2002, UHCS would exclude the disallowed costs from the computation of its unit cost rates when submitting these rates to the AAA for its approval.

The OIG Audit Manager further inquired of Mr. Jove as to how his agency, the AAA, verifies that the unit cost rates submitted by UHCS for approval to the Area Agency on Aging (AAA) are correctly calculated and do not include such disallowable charges as lobbying fees, car allowances, excessive executive salary, etc. Mr. Jove stated to the OIG Audit Manager that his agency, **the AAA, does NOT have the resources to review the Providers’ budgets line-by-line to verify the propriety of unit cost rates submitted for the AAA’s approval.** Mr. Jove stated that the AAA relies on the independent auditors’ audited financial statements and accompanying audit opinion letter. **Furthermore, Mr. Jove stated to the OIG Audit Manager that any improprieties built into the unit cost rates would only be discovered “after-the-fact,” when the contract has been awarded and the Provider is incurring its actual expenses during that new fiscal year for which the unit cost rates were already approved by the AAA.**

Moreover, Mr. Jove stated that when the AAA is reviewing the eldercare service Providers’ “Service Provider Application – S.P.A.” for the AAA’s approval, which also includes the upcoming year’s unit cost rates, the timeframe given for reviewing these applications and preparing each Provider’s contract is limited (i.e. usually a six week turn-around time). Therefore, the AAA does not have an adequate amount of time to thoroughly review the submitted unit cost rates of each Provider, including UHCS.

Mr. Jove also indicated to the OIG Audit Manager that the AAA in Region 11, which is his agency – the Alliance for Aging, Inc. - can only afford to employ five (5) Contract Managers who each manage between seven (7) to eight (8) eldercare service

July 1, 2002

providers, as there are a total of 38 eldercare service providers in Region 11 of the State (i.e. South Florida). Each Contract Manager is responsible for reviewing the Provider's "Service Provider Application – S.P.A." for the AAA's approval. Additionally, Mr. Jove admitted that although the Contract Managers are proficient in programmatic issues involving the Provider's operations, the Contract Managers do not have the expertise to conduct adequate fiscal oversight of the Providers' financial transactions. To further exacerbate the situation, the AAA currently does not have the funding to hire fiscal monitors, although Mr. Jove recognizes the value of employing such personnel.

Based on audit inquiry and review, the OIG found no evidence that United Home Care Services, Inc. restated its fiscal year 2000-2001 unit cost rates by removing all unallowable costs, as recommended by the Department of Elder Affairs. Additionally, the OIG auditor could not verify the accuracy of the rates for services paid by the County during the contract period July 1, 2000 through June 30, 2001 or determine whether the component costs were allowable or disallowable per Florida State statutes due to UHCS inability to produce any supporting documentation that would have allowed the OIG auditor to perform an analysis of the cost components that were used to calculate the unit cost rates. Therefore, the OIG auditor's objective of recalculating UHCS unit cost rates by removing disallowable costs billed to the County could not be accomplished.

## **B. BILLING FOR SERVICES TO MIAMI-DADE COUNTY**

### **1. Untimely Submission of UHCS Invoices to Miami-Dade County**

During the OIG auditor's review of the contract monitoring reports completed by the DHS Contract Management Division,<sup>2</sup> the Contract Officer OIG auditor noted that as of December 3, 2000 (the date noted on the DHS Contract Officer's memorandum), UHCS had not submitted any reimbursement requests for eldercare services provided to Miami-Dade County citizens. The OIG auditor noted that the first UHCS invoices were issued to Miami-Dade County in February 2001. UHCS's should have issued monthly billings to the County for services provided from July 2000 through January 2001, which would have been due by the 25<sup>th</sup> of February 2001. Thus, seven (7) months had passed without

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<sup>2</sup> During the period this Agreement was in effect, the OIG auditor noted that three (3) different DHS Contract Officers monitored this contract.

July 1, 2002

**any billing submissions from UHCS to the County since the Provider began to provide services to clients in the County.**

The OIG questions the lack of timeliness by UHCS in submitting requests for reimbursement. UHCS began providing elderly care services on July 1, 2000 to Miami-Dade County residents. Over seven months, (over half of the contract term), had passed before UHCS submitted an invoice to the County. **These long delays can create a greater risk of inaccuracies in the actual billings submitted by UHCS to Miami-Dade County.**

Per Section XIV, paragraph C of the Agreement, the Provider "...shall submit an approved payment request form...on a monthly/quarterly basis to the Department. Monthly/Quarterly reimbursement requests and accompanying documentation must be received by the Department no later than the 25th of the month following the month/quarter for which reimbursement is requested."

As the following Table illustrates, during the term of this Agreement, UHCS submitted reimbursement requests forms to the County past the due date for ten (10) out of twelve (12) months:

REIMBURSEMENT REQUEST PERIOD	DUE DATE	DATE REIMBURSEMENT REQUEST WAS RECEIVED BY DHS	STATUS
July 2000	August 25, 2000	February 6, 2001	Late
August 2000	September 25, 2000	February 6, 2001	Late
September 2000	October 25, 2000	February 6, 2001	Late
October 2000	November 25, 2000	February 6, 2001	Late
November 2000	December 25, 2000	February 6, 2001	Late
December 2000	January 25, 2001	February 6, 2001	Late
January 2001	February 25, 2001	February 6, 2001	On time
February 2001	March 25, 2001	March 30, 2001	Late
March 2001	April 25, 2001	April 27, 2001	Late
April 2001	May 25, 2001	May 30, 2001	Late
May 2001	June 25, 2001	June 22, 2001	On time
June 2001	July 25, 2001	August 1, 2001	Late

July 1, 2002

## **2. Sample Methodology Used by OIG Auditors**

The OIG auditor and UHCS management agreed to test the accuracy and validity of the billings to the County by selecting a sample of the clients served during the Agreement period – July 1, 2000 through June 30, 2001. The OIG traced the hours invoiced for each selected client through the 12-month Agreement period to the time sheets completed by UHCS employees to ascertain the validity and accuracy of the amounts invoiced to the County. The OIG auditor also discussed with Ms. Lourdes Tome-Rivas, Senior Vice-President of UHCS, that upon the auditor's calculation of a Percentage of Error Rate (i.e. the number of undocumented hours noted in the sampled invoices divided by the total sample invoiced hours) was determined, the calculated Percentage of Error Rate would be applied to the total population of hours billed to Miami-Dade County during the period of this Agreement. Based upon this application, the OIG determined a distinct Percentage of Error Rate for each type of service billed under the Agreement, which is explained in detail in a separate section of this report. Ms. Tome-Rivas verbally concurred with this application.

Upon receipt from UHCS of an electronic file of all UHCS "clients" billed to the County during the contract period June 30, 2000 through July 31, 2001, the OIG auditor selected 20 clients out of a total of 78 clients (26% of UHCS's clients) and performed the above-mentioned test. Because UHCS identifies its clients by their social security number, the OIG assigned a reference number to each of the social security numbers listed on the invoices' detail support. This was done to maintain the confidentiality of clients served under this Agreement.

There was a total of 8,752.25 hours charged to Miami-Dade County, of which the OIG auditor sampled 3,267 hours during audit testing. Thus, the OIG auditor sampled 37% of the total hours billed to the County (i.e. 3,267 hours divided by the total hours invoiced by UHCS to the County under this Agreement.)

The table below shows the size of the total population and OIG auditor's sample size of both the number of hours and number of clients reviewed:

DESCRIPTION	TOTAL POPULATION	SAMPLED POPULATION	SAMPLED PERCENT
Hours Reviewed	8,752.25 hrs.	3,267 hrs.	37%
Clients Sampled	78	20	26%

## **3. Unidentified Client Billed as "UTIL1"**

July 1, 2002

During the OIG auditor's review of the total population of 78 clients billed to Miami-Dade County, the auditor observed that one of the "clients" was listed using a name of "UTIL1," **which did not have a social security number associated with it.** Further, the auditor noted that **UHCS did not have a client file established for the "UTIL1" client.** In the total billings to Miami-Dade County during the period July 1, 2000 through June 30, 2001, there were 14 instances of the "UTIL1" client billed, totaling 149 hours. There were only two (2) types of services billed to the County for the "UTIL1" client: (1) "Homemaker" at unit cost of \$13.51 per unit; and, (2) "Personal Care" at a unit cost of \$13.37 per unit. For the contract period July 1, 2000 through June 30, 2001, UHCS received approximately \$2,002 from the County for services rendered to the client "UTIL1." {See Exhibit C}

The OIG auditor inquired of UHCS's management as to the interpretation of the client designation "UTIL1" for billing purposes to Miami-Dade County. UHCS management and staff stated that they would inquire and inform the OIG auditor about the nature of this client. No such information has been provided to the OIG auditor as of this present date.

*According to UHCS's response, UHCS attributed the 149 hours billed to the County (i.e. UHCS accounted for 74 hours for Homemaker Services and 75 hours for Personal Care Services) to three (3) clients classified as "UTIL1" whose eldercare services were "subcontracted to three outside providers." Furthermore, UHCS stated that the timesheets for the outside providers were not located at UHCS; rather, the OIG would have to request such documentation from the subcontractors to verify hours charged to the County.<sup>3</sup>*

*Attachment G of the UHCS contract lists and incorporates four (4) subcontractors that are authorized to provide eldercare services on behalf of UHCS. None of the three (3) subcontractors, which actually provided eldercare services for UHCS's clients, were authorized per the County's contract to perform such services.*

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<sup>3</sup> On June 20, 2002, the OIG auditor went to each of the three (3) UHCS subcontractors' place of business and obtained the timesheets evidencing the 149 hours of eldercare services provided to Miami-Dade County citizens. The OIG notes that the names of the three subcontractors were not provided with UHCS's responses; rather, the OIG had to formally request from UHCS for these subcontractors' names on June 19, 2002. **See Exhibit K.**

July 1, 2002

*The UHCS contract with the County, specifically Attachment G of the contract, lists four (4) subcontractors who were authorized to perform any part of the Agreement's Scope of Services. **The OIG notes that NONE of the three (3) subcontractors actually used by UHCS to provide eldercare services to Miami-Dade County citizens were authorized to perform such services, as none of the three subcontractors were included in the Agreement UHCS had with the County.** Furthermore, the OIG contacted the County's Department of Human Services (DHS) and verified that DHS had not authorized or approved ANY changes to the list of subcontractors in Attachment G of the UHCS's Agreement with the County. {See **Exhibit K** for supporting documentation.}*

*Based on the OIG's further inquiry into the propriety of the 149 hours billed to the County under the designation of "UTIL1," the OIG deems it appropriate that the County be refunded \$2,002, as part of the \$7,620.22 previously discussed, for payments received by UHCS for billings for services provided by **unauthorized subcontractors** per the County's Agreement with UHCS.*

#### **4. Review of UHCS Personnel Timesheets**

##### **a. Background**

For the 20 sampled clients, the OIG auditor reviewed all the time sheets submitted by UHCS employees, which are included in the clients' files for the period July 1, 2000 through June 30, 2001. According to UHCS Employee Manual reviewed by the OIG auditor, UHCS employees are responsible for completing a time sheet on a weekly basis. Furthermore, if the employees work out in the "field" (i.e. at clients' homes) on a daily basis, they must mail their weekly time sheets to UHCS's main office by Friday evening or deliver it to the UHCS's main office by Monday before 8:30 am. Additionally, the employee manual indicates that "...time recorded on the time sheets must be actual time spent providing services to clients and not scheduled time."

As indicated in UHCS employee's manual, these UHCS personnel time sheets document the type of home services provided to the client on a specific date and the number of hours UHCS personnel worked on behalf of the given client. This information is then processed by UHCS's Billing Department to generate the billing schedules and monthly breakdown of services and hours, which support the Monthly Reimbursement Requests submitted to the County to

July 1, 2002

obtain payment. Depending on the type of home service provided to Miami-Dade County clients per the Agreement, the following list indicates the type of document to be used by the UHCS employees for recording their daily hours worked:

<u>Type of Service</u>	<u>Document Used</u>
1. Case Management	Narrative
2. Chore	Time sheets
3. Homemaker	Time sheets
4. Personal Care	Time sheets
5. Respite	Time sheets

**b. OIG Audit Observations & Findings**

The OIG observed that UHCS maintains two (2) sets of files for each client: (1) a file for Case Management services; and, (2) a file for any of the other four (4) services listed above.

The first service listed above, “Case Management,” is documented in a narrative format describing the action taken by the assigned UHCS’s Case Manager when interacting with or on behalf of the Miami-Dade County client, usually to request in-home services or as part of the Case Manager periodic monitoring of the client. At the end of each intervention by the Case Manager, he/she is required to note on the narrative document the amount of time expended in providing the service to the client. **The OIG auditor found that some narratives did not include the amount of time spent on the home service provided to the County client.**

Given that several client file narratives did not include the hours UHCS personnel spent on providing services to Miami-Dade County clients, the OIG auditor inquired of the Case Manager Director as to how the UHCS’s Billing Department would have known how much time to charge Miami-Dade County for services provided per the client file narrative. **The Case Manager Director could not provide a sufficient explanation, other than to say that at the time the client file was sent to the UHCS Billing Department for processing, the amount of the employees’ hours of service provided was noted in the client**

July 1, 2002

files. However, this billing information is now missing from the client file.

The OIG auditor noted that client files were not redacted or the number of hours missing has been erased. Therefore, the OIG auditor scheduled the missing UHCS personnel hours as “undocumented hours,” which were billed to Miami-Dade County with inadequate supporting documentation.

For the four (4) other types of service enumerated above, time sheets must be completed by UHCS employees to document hours of service provided as well as for payroll record purposes. From the twenty (20)-client sample pool, the OIG auditor found instances where time sheets were missing, dates on time sheets were altered, and several time sheets contained mathematical errors when summing the total hours spent at a client’s home. {See Exhibit D for a copy of a time sheet with altered dates}.

The OIG met with the Home Healthcare Assistant Administrator to obtain an explanation for the client’s files that had missing time sheets or inadequately completed time sheets. Upon OIG audit inquiry, the Home Healthcare Assistant Administrator’s staff was able to immediately provide additional time sheets, specifically for the “Chore” service hours, which had been filed somewhere else. However, there were still a number of missing or inadequately completed time sheets. {See Exhibit E} The Home Healthcare Assistant Administrator verbally acknowledged to the OIG auditor that these were all the time sheets UHCS had on hand. Therefore, the OIG auditor noted these missing and incomplete time sheets as “exceptions” and scheduled these unsubstantiated hours as “undocumented hours” in the OIG’s analysis.

**c. Unit Cost Rates for Each Home Service per the Agreement between the County and UHCS**

The OIG observed that UHCS’s billings to Miami-Dade County are based on “budgeted unit rates,” which are stipulated in “Attachment B” of the Agreement. {See Exhibit F} Through OIG audit inquiry, it has been determined that these unit cost rates charged to the County are based on a standard unit cost methodology established by the State Department of Elder Affairs (DOEA). Furthermore, UHCS’s unit cost rates are subject to approval annually by the Area Agency on Aging (AAA), for Region 11 of which Miami-Dade County is a part, which is the oversight agency for the State DOEA.

Per Ms. Lourdes Tome-Rivas, Senior Vice President of UHCS, its unit cost rates are submitted for approval each fiscal year (i.e. July 1 through June 30) to the AAA for Region 11, which currently is the “Alliance for Aging, Inc.”



July 1, 2002

UHCS submits this information on a form known as the “Service Provider Application – S.P.A.,” which is a standardized form that must be submitted annually to the AAA for approval. Ms. Tome-Rivas stated that upon approval of the S.P.A., including the unit costs to be used for billing for services, UHCS is sent an “Award Sheet” from the AAA. The “Award Sheet” lists the approved reimbursement rates for eldercare services for the upcoming fiscal year and is effective until the end of that particular fiscal year. {See Exhibit G}

Ms. Tome-Rivas stated to the OIG auditor that the unit cost rates approved by the AAA are the same unit costs that UHCS uses to bill all of UHCS’s funding sources for in-home elder care services provided. Therefore, **each funding source is billed the same unit cost rate.** The OIG auditor confirmed with the State Department of Elder Affairs that the unit cost rates charged to the State for the Community Care for the Elderly (CCE) funding source during fiscal year 2000-2001 were the same as the unit cost rates charged to the County.

Additionally, the OIG auditor contacted the Area Agency on Aging (AAA), which is also known as the “Alliance for Aging, Inc.” and requested a copy of UHCS’s approved Award Sheet, for the fiscal year ended June 30, 2001, which documents the unit cost rates for each home service. The OIG auditor compared the unit cost rates on the approved Award Sheet to the County’s contract “Agreement Budget” rates (Attachment B of the Agreement). The OIG notes that the unit cost rates billed to the County match with the Award Sheet. The following are the unit cost rates billed by UHCS to Miami-Dade County under the terms of Agreement effective July 1, 2000 through June 30, 2001:

	<b><u>Type of Service</u></b>	<b><u>Unit Cost Rate per Hour</u></b>
1.	Case Management	\$40.37
2.	Homemaker	\$13.51
3.	Personal Care	\$13.37
4.	Respite	\$13.37
5.	Chore	\$14.16

July 1, 2002

**d. Computation of Error Rate Percentage in Audit Sample**

The table below indicates the breakdown of the sampled hours by type of service and the Percentage of Error computed by the OIG auditor.

**PERCENTAGE OF ERROR FROM THE SAMPLED HOURS INVOICED BY UHCS  
DURING THE CONTRACT YEAR 2000-2001**

<b>SERVICE DESCRIPTION</b>	<b>SAMPLED HOURS INVOICED</b>	<b>SAMPLED HOURS VERIFIED BY TIME SHEETS</b>	<b>UNDOCUMENTED HOURS (Sample Invoiced Hours Less Time Sheets Hours)</b>	<b>PERCENTAGE OF ERROR (Undocumented Hours over Sample Hours Invoiced)</b>
Case Management	143.25	134.00	9.25	<b>6.46%</b>
Chore	40.00	32.00	8.00	<b>20.00%</b>
Homemaker	1,377.75	1,286.25	91.50	<b>6.64%</b>
Personal Care	1,640.00	1,550.00	90.00	<b>5.49%</b>
Respite	66.00	66.00	-	<b>0.00%</b>
<b>Totals</b>	<b>3,267.00</b>	<b>3,068.25</b>	<b>198.75 hrs.</b>	

As shown in the table above, the OIG auditor calculated a Percentage of Error for each of the five (5) types of services provided under the Agreement. For each type of service, the auditor calculated an "error rate" based on the number of instances of undocumented hours found in the audit sample of UHCS personnel time sheets. Using these "Percentage of Error Rates," the OIG auditor then extrapolated the error rate to the entire population of hours billed by UHCS to Miami-Dade County for the Agreement period, July 1, 2000 through June 30, 2001 to determine the dollar amount UHCS should reimburse to the County, as a percentage of UHCS's billings are not supported by adequate documentation as established in the OIG's audit sample.

**e. Amount Overpaid by Miami-Dade County to UHCS**

The OIG auditor determined that a total of 8,752.25 hours of UHCS's personnel time was billed to Miami-Dade County during the Agreement period July 1,

July 1, 2002

2000 through June 30, 2001. The OIG auditor sampled 3,267 hours during audit testing, thus sampling 37% of the total hours charged to the County by UHCS. Furthermore, it was noted that a total of 78 clients were provided with home services by UHCS through the County's funding during the contract period. Of these 78 clients, the OIG auditor sampled 20 clients (26%) and reviewed all time sheets submitted by UHCS employees, which were included in these sampled clients' files.

Based on the OIG auditor's review of the sampled time sheets, an error rate was calculated based on the number of instances of undocumented hours found in the audit sample of UHCS personnel time sheets.

To determine the error rate in the total population of UHCS invoices paid by Miami-Dade County during the contract period July 1, 2000 through June 30, 2001, the OIG auditor performed the following calculations:

- 1) Using the total actual hours billed to the County for each of the five (5) home services, the auditor multiplied the "Percentage of Error" rates by the "total hours invoiced" for each type of service billed by UHCS. **The result of this computation was an extrapolation of the number of hours billed to the County by UHCS, which lacked adequate supporting documentation in the form of personnel time sheets for home services provided.** {See Exhibit H}
- 2) Using the **extrapolated number of hours in the total population which lacked sufficient documentation**, which were billed to the County for each of the five (5) home services, the auditor multiplied the applicable "Unit Cost Rate" by the extrapolated number of hours billed to the County. **The result of this computation yields the total amount overpaid by the County for invoices that were submitted with insufficient supporting documentation in the form of personnel time sheets.**

The next table shows how the Percentage of Error was applied to the total hours invoiced for each particular type of service, resulting in hours per type of service projected as "undocumented." As illustrated in the table below, once the applicable Unit Cost Rate utilized by UHCS to bill the County for services provided under this Agreement was applied to the hours determined to be inadequately supported by UHCS's personnel time records, **the overpaid amount is \$7,620.22.** Based on the \$118,121.75 amount paid to UHCS by the

July 1, 2002

County, this overcharge represents approximately 7% of the contract value.

**TOTAL AMOUNT OVERPAID BY THE COUNTY TO UHCS**

SERVICE DESCRIPTION	PERCENTAGE OF ERROR (Undocumented Hours / Sample Hours Invoiced)	TOTAL HOURS INVOICED DURING CONTRACT YEAR 2000-2001	TOTAL HOURS ESTIMATED AS UNDOCUMENTED (% Error X Total Hours invoiced)	APPLICABLE HOUR SERVICE RATE	TOTAL AMOUNT OVER PAID BY THE COUNTY TO UHCS
Case Management	6.46%	500.50	32.33	\$ 40.37	\$ 1,305.16
Chore	20.00%	132.00	26.40	\$ 14.16	\$ 373.82
Homemaker	6.64%	3,194.00	212.08	\$ 13.51	\$ 2,865.20
Personal Care	5.49%	4,190.75	230.07	\$ 13.37	\$ 3,076.04
Respite	0.00%	196.50	-	\$ 13.37	\$ -
<b>Totals</b>		<b>8,213.75 <sup>4</sup></b>	<b>500.88</b>		<b>\$ 7,620.22 <sup>5</sup></b>

*According to UHCS's response to the OIG audit finding above, UHCS states that "the proper source document was not reviewed by the OIG" and indicates that "a contact log is the source document" for documenting personnel hours. However, the UHCS's Case Management Director stated to the OIG auditor that the narrative pages, with the service hours noted, were the source document used by the Billing Department to generate the invoices to the County. During the OIG's onsite audit, the Case Management Director never mentioned the existence of "Contact Logs" as the source document for billing.*

*UHCS further states in its response that "the absence of a narrative in a client file does not mean services were not delivered." However, when the client files do not have the appropriate documentation (i.e. narrative pages as the source documentation for billing, as stated by the Case Management Director) to justify its billing, the hours so billed must be disallowed in accordance with the*

<sup>4</sup> The total hours in the population billed to the County amounted to 8,752.25 hours. However, for this calculation, the OIG auditor backed out 538.5 hours erroneously billed to the County for Home Health services. Therefore, the total actual hours that should have been billed to the County are 8,213.75 hours.

<sup>5</sup> The \$7,620.22 overpaid by the County also **includes** the "UTIL1" hours and the \$2,002 billed to the County for services provided to the client identified as "UTIL1."

July 1, 2002

*Agreement, specifically Section XIV. "Payment Procedures," Subsection C. "Request for Payment" of the UHCS contract. The Agreement explicitly states that "in order to receive payment for all costs, the provider shall submit...original of invoices, receipts, and other evidence of indebtedness as proof of expenditure." Therefore, the absence of time sheets as the critical source document for the provision of eldercare services is indicative of a lack of evidentiary support for UHCS's billings to the County.*

*In regards to UHCS's response to undocumented hours billed to the County for both Homemaker Services and Personal Care Services, the OIG auditor, during the onsite review, requested for UHCS's Home Health Care Assistant Administrator to provide time sheets for all client files which lacked such supporting documentation. The Home Health Care Assistant Administrator was given a schedule prepared by the OIG auditor listing the clients' social security numbers, for identification purposes, in order to facilitate pulling the selected files. Although the OIG auditor was provided with some time sheets, not all time sheets were located by UHCS. The OIG auditor again requested for the Home Health Care Assistant Administrator to provide any additional time sheets and was informed there were no more time sheets available for review. Therefore, the missing time sheets were included in the OIG's calculation of the error rate.*

*Furthermore in the OIG follow-up comments at the end of Section VII.B.3 above, it is noted that UHCS attributed 149 units billed to the County (i.e. UHCS accounted for 74 hours for Homemaker Services and 75 hours for Personal Care Services, totaling 149 hours) to three (3) clients classified as "UTIL1," whose eldercare services were "subcontracted to three outside providers." Based on OIG further inquiry and review, it was found that that NONE of the three (3) subcontractors actually used by UHCS to provide eldercare services to Miami-Dade County citizens were authorized to perform such services, as none of the three subcontractors were included in the Agreement UHCS had with the County.*

*Despite UHCS's response to this audit finding, the OIG maintains that it is appropriate for the County to seek repayment in the amount of \$7,620.22 from UHCS, which also includes \$2,002 for the UTIL1 billings.*

**f. Erroneous Billing for "Home Health Services"**

During the review of the schedules submitted by UHCS to the County supporting

July 1, 2002

the Monthly Reimbursement Requests, the OIG auditor discovered that during the period July 1, 2000 through June 30, 2001, UHCS had billed and received reimbursement from the County for "Home Health" services. Per the "Agreement Budget" found in Attachment B of the contract, **these services were not approved as part of the Agreement** with the County. **Furthermore, no time sheets were found in the sample clients' files to document that these services were actually provided.** For the 12-month Agreement period, UHCS billed to the County for 538.50 hours of unauthorized Home Health services at \$13.37 per hour.

The OIG discussed these erroneous billings with Mr. Robbie Warren, Home Healthcare Assistant Administrator for UHCS, who stated that the billing of these services to the County was an error since the County was not the funding source designated by UHCS to cover these services. To correct this error, the OIG removed these hours from the total hours population used to compute the Percentage of Error. The Unit Cost Rate applied by UHCS to obtain reimbursement from the County for these services (\$13.37) was applied to the 538.50 hours erroneously billed, **resulting in a calculated overpayment of \$7,199.75**, for services not authorized and not contracted for in the Agreement. Based on the \$118,121.75 amount paid to UHCS by the County, this overcharge represents approximately 6% of the contract value. {See Exhibit I}

*According to UHCS's response to the OIG audit finding above, UHCS states that:*

*"We went back to our files and found that there were timesheets for all the services rendered during this contract period for this one particular client. The services provided to this client were a combination of home health aide "HHA", personal care "PCA", and homemaker "HMK". While "home health services" may not be one of the contracted services with DHS, the fact is that the rate billed under the service is consistent with the personal care contracted and approved rate and according to the timesheets the tasks performed are consistent with the provision of personal care. Therefore, this is only a misclassification of a service, and UHCS did not receive any overpayment from the County as a result."*

*Accompanying UHCS's response to the OIG's Draft Audit Report, UHCS submitted over 100 time sheets, not previously located in this client's file, to support the home health services provided to this one (1) Miami-Dade County client. Based on the*

July 1, 2002

*OIG auditor's detail review and analysis of all newly submitted time sheets submitted by UHCS, the following is noted by the OIG:*

- The statement by UHCS that the rates for Home Health services are consistent with the rates for Personal Care services is inaccurate. The "Award Sheet" from the Area Agency on Aging (AAA) does not include rates for Home Health Aide (HHA) services and neither does the contract with the County include these rates. (See **Exhibits F** and **Exhibit G**, respectively, for "AAA" Award Sheet and the County contract rates.)*
- Although UHCS claims that the tasks performed as Home Health care (or HHA as referred to by UHCS) services provided to this client are consistent with those provided under the Personal Care services, this statement is inaccurate. Please refer to the time sheets provided by UHCS, which indicate that the number of tasks to be performed, as part of Home Health Services (HHA), is less than those provided under the Personal Care services. {See **Exhibit L**}*

*It must also be noted that page 25 of the OIG Draft Report, indicates that 538.50 hours billed to the County as Home Health hours were deemed disallowable by the OIG for two reasons: (1) there were no time sheets in the UHCS client case file; and, (2) UHCS's Home Health Care Assistant Administrator stated to the OIG auditor that the County was not the funding source for the Home Health services.*

*Furthermore, we noted that UHCS provided, as part of its response, time sheets for the period July 1, 2000 through June 30, 2001, supporting its billings for Home Health Aide services. However, UHCS only invoiced the County for these services for a six (6) month period - from July 1, 2000 through December 31, 2000.*

*The OIG auditor tallied the time sheets for HHA hours provided during both the six (6) month period invoiced to the County and the twelve (12) month period submitted to the OIG, resulting in 569.50 hours and 1,116.50 hours, respectively.*

*As a result of our analysis, the OIG found that the time sheets recently submitted by UHCS show numerous inaccuracies and mistakes. The OIG auditor determined that during the six (6) month period invoiced to the County, the time sheets provided by UHCS in its response package showed 51.50 duplicate hours (or 9% of the 569.50 hours submitted for HHA services). {See **Exhibit M**}. The OIG noted that several of the time sheets submitted by UHCS show the same client receiving HHA services from the same UHCS employee, on the same dates and during the same hours. There is even overlap of services "provided" by UHCS employees. After*

July 1, 2002

*review of these documents, the OIG further questions the soundness of UHCS's internal controls for personnel time keeping and billing practices. Furthermore, for the recently submitted time sheets for the twelve (12) month contract period, the OIG noted that duplicate hours for HHA amounted to a total of 81.50 hour, or 7% of the 1,116.5 total hours submitted for HHA services. {See Exhibit M} Thus, as a result of these additional audit findings, the OIG questions the legitimacy of these time sheets submitted by UHCS in response to the OIG's Draft Audit Report dated May 31, 2002.*

*Based on the OIG's follow-up analysis of the time sheets provided after-the-fact, which revealed numerous inaccuracies and duplications of time charged, the original audit finding regarding UHCS's erroneous billing to the County for unauthorized Home Health Services is valid, as the legitimacy of the entire set of time sheets is questionable. Therefore, the County should seek a repayment from UHCS in the amount of \$7,199.75, for services neither authorized nor contracted for in the Agreement.*

## **5. Review for Double Billing of Funding Sources**

A joint report was released in April 2001 by the Department of Elder of Affairs (DOEA) and the Chief Inspector General for the State of Florida and documented findings pertaining to the financial and operational practices of United Home Care Services, Inc. (UHCS). The State agencies' joint report revealed that UHCS did not have adequate internal controls to prevent duplicate billing. In fact, the agencies' report indicated that there were nineteen (19) instances found where the same services were billed for the same dates of service to both the Community Care for the Elderly (CCE) and Medicaid waiver.

Therefore, the OIG auditor's objective was to determine whether the same eldercare services billed to the County for a specific date were also billed for that same date to a other funding sources, such as the United Way of Miami-Dade and the State's Community Care for Elderly (CCE) administration by the DOEA.

The OIG auditor contacted the United Way organization, which is also a funding source for UHCS. The OIG auditor was informed that United Way does not require nor receive any billings justifying the services provided by the various Providers it funds. In most cases, the Providers (i.e. UHCS) are awarded an annual lump sum amount from the United Way to fund their services and are only required to furnish a copy of their annual audit report issued by the Provider's independent certified public accountants (CPAs) and copies of other funding



**July 1, 2002**

sources' monitoring reports, if available. United Way then has the Provider's audited financial statements reviewed by other CPAs and financial professionals who contribute their time and expertise to the United Way agency. Because of United Way does not require detailed supporting documentation for the funding it provides to UHCS, the OIG auditor was not able to confirm with United Way if double billing occurred for clients entitled to receive funding from both the United Way and Miami-Dade County's Department of Human Services.

The OIG also contacted the Florida Department of Elder Affairs, Office of the Inspector General, and requested for the DOEA to compare Miami-Dade County's client billings provided by UHCS against the DOEA's "Client Information and Registration Tracking System – CIRTS" to determine if any double billing for these clients occurred between the County and the DOEA.

The DOEA provided the OIG auditor with an Excel file which matched the social security numbers for the UHCS clients serviced under the County's Agreement against the DOEA's data in CIRTS for the same individuals during the County contract period of July 1, 2000 through June 30, 2001. The OIG auditor combined both data files in the Excel worksheet and extracted from the combined files those clients that appeared to have been billed to both the County and the DOEA.

The table below illustrates the clients and hours billed to the County as well as the dollar amount reimbursed by the DOEA for similar services provided on identical dates to the same individual.

<b><sup>6</sup>CLIENT REFERENCE NUMBER</b>	<b>SERVICE PROVIDED</b>	<b>HOURS OF SERVICE INVOICED TO MIAMI-DADE COUNTY</b>	<b>DOLLAR AMOUNT REIMBURSED BY MIAMI-DADE COUNTY</b>	<b>DOLLAR AMOUNT REIMBURSED BY DOEA</b>
32	Personal Care	327.00	\$4,371.99	\$4,729.83
32	Respite	47.00	\$628.39	\$1,375.24
65	Homemaker	1.00	\$13.51	\$14.32
65	Personal Care	1.00	\$13.37	\$14.21
73	Homemaker	2.00	\$27.02	\$9.00

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<sup>6</sup> The OIG auditor notes that UHCS identifies its clients by their social security number. Therefore, to maintain the confidentiality of the clients served by UHCS under this Agreement, the OIG auditor assigned a client reference number to each of the social security numbers listed on the invoices' detail support.

July 1, 2002

Totals		378.00	\$5,054.28	\$6,142.60
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To verify if the eldercare clients qualified to receive funding from more than one source, the OIG auditor requested to review the client's files at UHCS's offices and examine the Service Purchase Orders and the personnel time sheets completed by the UHCS employees for these specific clients.

The first client, referenced as No. 32, received two (2) sessions of Personal Care and two (2) sessions of Respite services on the same dates, as noted in the OIG auditor's analysis. The Service Purchase Order contained in the client's file states that this client is a quadriplegic person and therefore requires additional hours of service. Moreover, the OIG auditor noted that a separate Service Purchase Order was completed for each funding source (i.e. MedWaiver and United Way). The United Way funding was subsequently replaced with County funding.) **Based on the OIG auditor's review of the contents of the client's case file, it appears justified that this person qualifies for funding from both the County and DOEA to meet his special needs** as a quadriplegic.

Given the immateriality of billing amounts for the other two clients (a total of 4 hours and \$53.90 charged to the County), the OIG auditor deems it unnecessary to perform further review of this issue for the two instances noted.

**In conclusion, based on the OIG auditor's inquiry and review, it does not appear that the County and other funding sources were billed for the same eldercare services, provided to the same UHCS clients, and on the same date during the Agreement period July 1, 2000 through June 30, 2001.**

## **C. REVIEW OF CONTRACTOR MONITORING BY DHS**

The OIG auditors evaluated the effectiveness of the Department of Human Services (DHS) Contract Management Division's monitoring and oversight for the home care services contract with United Home Care Services, Inc. (UHCS). Specifically, the audit objectives for this phase of audit fieldwork were as follows:

- 1) To assess the adequacy of contractor monitoring and oversight performed by Miami-Dade County's Department for Human Services (DHS) and to document any deficiencies in DHS's current contractor monitoring;
- 2) Based on audit inquiry with the "Alliance for Human Services" for Miami-Dade County, determine what initiatives are currently being proposed to improve contract management/oversight by both the funding sources and the

**July 1, 2002**

service providers; and,

- 3) Review UHCS's Monthly Progress Reports to assess compliance with the terms of the Agreement and assess the level of home health services provided.

## **1. County Contract Monitoring Policies and Procedures**

The OIG auditor obtained from the Contract Management Division (the Division) of the Department of Human Services (DHS) a copy of the Comprehensive Monitoring Review policies and procedures. The contract monitoring procedures are a subsection of Division's Policy and Procedure Manual. These procedures provide guidance for the performance of the DHS monitoring of the Agreement between the County and UHCS. The Division provided the OIG auditor with two (2) versions of the "Program Monitoring Review, Procedure and Policy Manual."

The first version of the Division's contract monitoring policies and procedures were the procedures in effect during the period of the UHCS contract with the County. The OIG auditor noted these policies and procedures state that Division staff (i.e. Contract Officers) are responsible for conducting a minimum of two (2) monitoring visits during the contract period. The first visit shall constitute a "technical assistance" visit and be performed during the first forty-five (45) days of the Agreement. The Monitoring Review procedures add that the second visit shall be announced but does not specify a timeframe or frequency for when such monitoring should be performed.

The second version of the DHS's "Monitoring Review Procedures and Policy Manual" became effective February 1, 2002, which is seven (7) months after the UHCS Agreement expired (i.e. June 30, 2001). Based on the OIG auditor's review and observations, this most recent set of monitoring policies and procedures is more applicable to the OIG's review as the actual contractor Monitoring Form used for the March 8, 2001 visit to the UHCS facility for contract monitoring is consistent with the requirements of the February 1, 2002 version of the contract monitoring Procedures and Policies. Further, the updated procedures are more detailed, describing the vendor records to be examined, the minimum review period, and provides greater detail for the various sections of the Monitoring Form. However, for purposes of the OIG's current review, the OIG auditor will reference the

July 1, 2002

Contract Management's policies and procedures in effect at the time of the completion of the contract monitoring for the Agreement with UHCS.

a. **Contract Monitoring Performed by the Division**

Technical Assistance Visit

As required by its policies and procedures, the Division performed its "technical assistance" visit for contract monitoring purposes on November 7, 2000. Even though UHCS began providing services to Miami-Dade elderly clients in July 2000, the contract was not executed until October 2, 2000. Therefore, the required technical assistance visit was conducted within the first forty-five (45) days of the Agreement's effective date. Per the Contract Management Division's policies and procedures, the purpose of the technical assistance visit is to provide UHCS with support for program start-up, if necessary. The DHS Contract Officer noted that UHCS encountered no difficulties in starting the program for Miami-Dade County's elder service needs as of July 1, 2000.

Furthermore, the DHS Contract Officer documented in the technical assistance report that as of the date of the site visit, November 7, 2000, UHCS had not submitted any Monthly Progress Reports or reimbursement requests (i.e. billings) to the County. To expedite the preparation of these required documents, during the site visit the DHS Contract Officer provided technical assistance to UHCS with regards to the format for the Monthly Progress Report and the reimbursement requests. On November 12, 2000, UHCS sent to the County's Contract Management Division the past due Monthly Progress Reports for July, August, and September 2000.

Contractor Monitoring Visit

To assess the adequacy of contractor monitoring and oversight performed by DHS for the Agreement between the County and UHCS, the OIG auditor reviewed the Contractor Monitoring Form completed on March 8, 2001 by a Contracts Officer in the Contracts Management Division (the Division) of the County's Department of Human Services (DHS). **{See Exhibit J for Monitoring Form}**. The OIG notes that this was the only contract monitoring review performed by the Division aside from the technical visit for the UHCS Agreement that spanned a one-year period of July 1, 2000 through June 30, 2001.

**July 1, 2002**

The Monitoring Report completed for UHCS consisted of general information, an entrance interview, an administrative review, fiscal review, personnel administrative review, quality assurance review, other pertinent information, deficiencies noted, recommendations and corrective actions required. Based on the OIG auditor's review of the Monitoring Report completed by the Division for UHCS, the following observations were made:

1. The Monitoring Report documented that the DHS Contract Officer<sup>7</sup> reviewed UHCS payroll journals for a two (2) month period – November 2000 and December 2000. The Contract Officer's review indicated that the payroll journals were checked for employee name, position, salary, and required payroll deductions. However, there is no mention of how many employees' payroll records were reviewed or whether the County Contract Officer examined UHCS employees' daily time sheets to assess the completeness of supporting documentation.

Moreover, it appears the DHS Contract Officer did not conduct interviews with any of the personnel who provided elder-care services to confirm existence of the funded personnel. If such a step were required to be performed, the DHS Contract Officer could assess whether the positions that the County is funding were actually filled by adequate staffing levels per minimum staffing requirements based on the Agreement. Considering that this Agreement with UHCS was specifically for funding personnel costs, this step should have been included in the DHS Contract Officer's site visit.

2. The OIG questions the relevance to this Agreement of reviewing payroll journals, Quarterly IRS Form 941, and the Annual Form 990 for UHCS's employees when the DHS Contract Officer does not know which employees were utilized by UHCS to provide the home services to Miami-Dade County elderly clients. These forms are used to report the earnings and pay the taxes for all UHCS employees, including UHCS administrative personnel and management. This global approach does not tie in the number of employees to the home services provided by UHCS.

Furthermore, it would be more beneficial to review a sample of employee W-2 Forms filed annually with the Internal Revenue Service for federal tax purposes. The examination should focus on the W-2's of the employees

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<sup>7</sup> The OIG auditor was informed by DHS that there were three (3) different Contract Officers assigned to the UHCS's contract during the contract period.

July 1, 2002

who directly provide elder care services and the sampled W-2's should be traced back to UHCS's payroll journal logs to verify the existence of employees. The purpose of this review is to uncover possible "ghost employees" which Miami-Dade County taxpayers could have funded.

3. The OIG also questions the benefit of having the Contract Officer review UHCS journal ledgers and purchase order invoices for an Agreement that is specifically for the provision of in-home elder care services. This Agreement is for services to be provided at the client's homes, not for purchasing durable goods to be used at clients' homes or health care facilities. The OIG asked the UHCS Case Management Director about purchase of durable goods required by the clients served under the Agreement. The Case Management Director stated that Miami-Dade County only funds services and not equipment. Moreover, the Case Management Director added that if there were a need for equipment, it would most likely be procured under another source of funding. Therefore, the review of these documents by the Contract Officer was neither required nor applicable to this Agreement with UHCS. The time and resources used to perform this unnecessary monitoring procedure should be shifted to more important areas which require management oversight, such as more in-depth review of accounting records and supporting documentation. **{See Exhibit J for Monitoring Form, questions no. 9 – 11}.**
4. The Policy and Procedures Manual also states that the Contract Officer shall conduct a walk through of the facility and client areas to ensure that it is clean, orderly and well ventilated. In the UHCS Monitoring Report the Contract Officer reports that the "administrative offices" were found to be neat. The OIG auditor believes the intent of this step of the contract monitoring assessment was not to walk through the Provider's administrative offices but rather the actual "client" areas (i.e. visit the clients' homes). The DHS Contract Management Division should have realized that this Agreement is for services to be provided at the clients' homes. Therefore, a visit to the clients' homes served by UHCS would have been more appropriate to assess UHCS compliance with the Agreement. Because the Agreement had already expired prior to the OIG's review, the OIG auditor could not perform visits to the clients' homes. **{See Exhibit J for Monitoring Form Section III – Administrative Review}.**
5. Section VI. "Quality Assurance Review," Question No. 3, on the Contractor Monitoring Form states: "Do client records contain appropriate

**July 1, 2002**

documentation as to the client's progress or lack thereof?" The Contract Officer wrote: "According to the Agency, the Department of Elder Affairs requires 6 monthly reviews and annual assessments of every case. Case notes are written after each unit of service is rendered. When problems or concerns occur prior to the six-month review the case manager brings the issue to the case staffing and the appropriate action is taken."

Instead of independently reviewing a sample of UHCS client records, it appears that the DHS Contract Officer documented a verbal response from UHCS and provided no assurance that client files contain sufficient documentation regarding the client's progress. Based on a lack of documentation on the part of the DHS Contract Officer as to what documents were actually examined to make such a statement, the OIG auditor can not determine whether or not the client files were reviewed. Thus, for an independent reader of the Monitoring Form it is inconclusive as to what was reviewed by the Contract Officer in order to verify that client records did in fact contain appropriate documentation, etc.

A review of the client's files would have provided the Contract Officer with a better understanding of the nature and quality of the home services provided by UHCS. Moreover, the Contract Officer did not document review of client narratives in a sample of client records to obtain an understanding of the various conditions and situations faced by both the clients and UHCS staff (i.e. when funding is changed or a client no longer qualifies for services under a particular program.) As a result of the Contract Officer not documenting their assessment of the clients' progress or lack thereof, the Division missed an excellent opportunity to gauge the level of service being provided by UHCS to the County's elderly clients and allow for appropriate follow-up action during future contract monitoring reviews.

- 6, Given that UHCS submitted detailed supporting documentation with its monthly invoices which noted the type of eldercare services provided, including a detailed itemization for "Home Health Services," it is apparent that the Division did not review this supporting documentation attached to the invoices submitted for reimbursement by the County. Had the Division examined these records more thoroughly, it may have been discovered that 538.50 hours of Home Health services were erroneously billed by UHCS to the County. Home Health services were not part of the contracted services provided by UHCS per the terms of the Agreement for in-home care

July 1, 2002

services for Miami-Dade County citizens. **{See Exhibit L for example of Home Health services erroneously billed}.**

Based on review of the information contained in the County's Monitoring Form for UHCS, it is evident that the Contract Management Division did not properly train its Contract Officers<sup>8</sup> to adequately assess UHCS's operational practices, which includes UHCS's program activities and contract administration. At a minimum, the DHS Contract Officers should have been familiar with the terms and conditions of the Agreement to realize that the contract with UHCS was for services only and did not include the provision of "home health services" or purchase of durable goods as previously noted. Additionally, the contract with UHCS should have been more frequently monitored by the Department of Human Services to ensure accountability for the funds provided to UHCS and maintain a visible presence at UHCS on behalf of the Miami-Dade County clients.

## **2. Alliance for Human Services – Contract Monitoring Tool**

The Alliance for Human Services (AHS) was created in 1999 by the Miami-Dade County Board of County Commissioners (BCC) under Resolution R-235-99. The AHS was incorporated in June 2000 and formed "for the purpose of developing a comprehensive Health and Social Services Master Plan" for the citizens of Miami-Dade County. Additionally, the AHS is responsible for establishing funding priorities for health and social services to meet the needs of the Miami-Dade County community. To this end, as of July 1, 2000, the AHS is responsible for the allocation of Miami-Dade County's funding to Community Based Organizations (CBO's) in accordance with the Social Services Master Plan.

In January 2001, under Resolution R-68-01, the BCC authorized the Alliance for Human Services to:

“...administer and manage Miami-Dade County's Community Based Organization funding process; accepting the funding priorities, funding levels and funding processed recommended by the Alliance for Human Services for the FY 2001-04 Community

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<sup>8</sup> The OIG auditor was informed by DHS that there were three (3) different Contract Officers assigned to the UHCS's contract during the contract period.



**July 1, 2002**

Based Organization funding process; authorizing a three year funding cycle for FY 2001-04; and authorizing the County Manager to execute agreements.”

In short, the Alliance for Human Services was created “to improve the targeting of scarce resources for health and social services in Miami-Dade County.” The Alliance for Human Services has several roles, which are quoted as follows: [Source: AHS website.]

- “To develop a unified vision of health and human service needs;
- To track and measure improvements in the quality of life;
- To promote multi-system collaboration and best practices;
- To provide guidance to local public and private funding agencies; and,
- To focus investments on outcomes and accountability based on results.”

To obtain a better understanding of how the Alliance for Human Services (AHS) works together with both the funding sources, such as Miami-Dade County’s Department of Human Services, and the service providers, the OIG auditor contacted Ms. Alexandria Douglas, Executive Director for the Alliance for Human Services. Specifically, the OIG auditor inquired of Ms. Douglas as to how the AHS ensures there is sufficient oversight for the County funds allocated for the provision of human services, in particular elder care services. Ms. Douglas informed the OIG auditor that in November 2001, the Alliance for Human Services formed a task force known as the “Common Administrative Assessment Team – CAAT” to address contract monitoring standardization amongst the various funding sources and service providers in Miami-Dade County. The goal of the CAAT task force is to create a comprehensive assessment tool to improve the efficiency and effectiveness of contract management for both the service provider and the funding agency.

The CAAT task force has been meeting on a monthly basis to share administrative self-assessment/monitoring tools and identify both common elements and best practices employed by the various funding agencies in the performance of contract monitoring. The end result of the CAAT’s efforts is an oversight tool to be used by both the funding sources and the provider of human services for self-assessment. Known as the “Administrative Assessment Tool,” finalization of the draft version is targeted for July 2002. At that time, the Alliance for Human Services will

recommend that all Miami-Dade County funding agencies and service providers adopt this tool for performance of contract oversight and management

The “Administrative Assessment Tool” it is a comprehensive check list and divided into sections, which cover administrative items, contract compliance, programmatic issues, and fiscal accountability. Additionally, the assessment tool offers guidance to the Contract Officer as to what activities should be performed *prior* to conducting a Provider site visit, such as reviewing the Provider’s contract and familiarizing oneself with the terms and conditions of the Agreement. It is also recommended that previous monitoring reports be reviewed by the Contract Officer, noting prior findings for follow-up during the upcoming site visit.

Other items, which the “Administrative Assessment Tool” requires the Contract Officer to review and assess in the monitoring visit of the Provider, include:

1. List of Board of Directors and meeting minutes, noting budgetary, financial, and programmatic information.
2. Agency policies, such as personnel, accounting policies, and Code of Ethics.
3. Review of the Provider’s assignment of fiscal responsibilities to ensure proper segregation of duties for the safeguarding of the Provider’s assets.
4. Reviewing cost allocation methodology and verifying if the accounting system uses an unallowable cost code to properly identify disallowable costs.
5. Reviewing cash flow position of the Provider through a review of bank statements and monthly bank reconciliations.
6. Ensuring the Provider’s accounting system properly tracks all financial transactions (i.e. revenues and expenses) by funding source.
7. Reviewing the Provider’s annual budget to assess whether the budget meets the needs of the program activities.
8. Ensuring travel expenditure reimbursements are supported by original invoices and receipts and properly approved.

The OIG recognizes that the “Administrative Assessment Tool” assembled by the Alliance for Human Services is significantly more detailed-oriented than the Monitoring Form currently used by the County’s DHS Contract Officers, particularly in regards to fiscal management oversight. In order for the County to

**July 1, 2002**

maximize the usefulness of the new assessment tool, DHS Contract Officers will have to be provided with additional training with regards to how to adequately review accounting records and supporting documentation.

It is noted that the County's Department of Human Services' staff participated in "Common Administrative Assessment Team – CAAT," which developed the "Administrative Assessment Tool." This assessment tool will be used by all funders of health and human services to assess compliance with administrative and contractual requirements. The OIG highly recommends that the Department of Human Services implement the common administrative assessment tool to increase the quality and effectiveness of the County's contract monitoring responsibility.

### **3. Monthly Progress Reports from UHCS**

#### **A. Monthly Progress Reports Submitted Late**

According to Section XVI. of the Agreement, paragraph I, UHCS is required to provide the following per the terms and conditions of the contract:

“...furnish the Department with written monthly progress reports on the achievement of UHCS's goals as outlined in its Scope of Services. The reports shall explain the Provider's progress for that month and the data should be quantified when appropriate. Said reports are due by the 25th day of the month following the end of each month. The final progress reports shall be due forty-five (45) days after the expiration or termination of this Agreement.”

The OIG notes that both the Department and UHCS have not complied with the due date requirement specified in the Agreement for the Monthly Progress Reports. The OIG auditor determined that of the twelve (12) required monthly reports, only one (1) was submitted timely, nine (9) were submitted late and two (2) monthly reports were never submitted. On November 12, 2000, UHCS faxed to DHS the first four (4) months "Monthly Progress Reports," as indicated on the progress report copies provided to the OIG. A copy of the September 2000 report was missing but later obtained from UHCS. This means that three (3) of the first four (4) monthly reports were late, according to the

**July 1, 2002**

Agreement. The following batch of reports, which included November 2000 through January 2001, were also late and faxed to the Department on June 5, 2001. The last batch of monthly reports, from February through May 2001, was also tardy as the date shown as faxed by UHCS is July 2, 2001.

Additionally, the Monthly Progress Reports submitted by UHCS do not provide sufficient detail to evaluate and determine whether or not the Provider had achieved its goals for the month. Additionally, UHCS did not attach supporting documentation to support the amounts documented on any of the Monthly Progress Reports. Moreover, the Division's Contract Officer did not document what was reviewed to conclude that the Provider had met any of the goals.

The table below shows the status of the Monthly Progress Reports reviewed by the OIG:

<b>STATUS OF MONTHLY REPORTS SUBMITTED BY UHCS DURING THE CONTRACT YEAR 2000 – 2001</b>					
<b>STATUS</b>	<b>TOTALS</b>	<b>1<sup>st</sup> Quarter (Jul – Sept)</b>	<b>2<sup>nd</sup> Quarter (Oct – Dec)</b>	<b>3<sup>rd</sup> Quarter (Jan – Mar)</b>	<b>4<sup>th</sup> Quarter (Apr – Jun)</b>
<b>Number of Reports Due from UHCS</b>	<b>12</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b># Submitted</b>	<b>10</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>2</b>
<b># Missing</b>	<b>2</b>	<b>1</b>	<b>--</b>	<b>--</b>	<b>1</b>
<b># Submitted Late</b>	<b>9</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>2</b>

The OIG notes that the Division did not mention the tardiness of the periodic Monthly Progress Reports required by the Agreement in its contract "Monitoring Form," dated March 8, 2001. These reports should have been provided to DHS by UHCS on the 25<sup>th</sup> day following the close of the previous month, for the duration of this Agreement – July 1, 2000 through June 30, 2001. Furthermore, the final progress reports was due forty-five (45) days after the expiration of the Agreement. The OIG notes that UHCS has not provided any written explanation as to the reason(s) for not providing the Monthly Progress Reports in a timely manner. Furthermore, as of the date of this audit report, the County has not yet been provided with a final progress report from UHCS despite the OIG's repeated requests for this document's production.

July 1, 2002

**B. Final Progress Report Not Received from UHCS**

Under Section XIV., paragraph G, "Final Report / Recapture of Funds", UHCS is required to submit, "upon the expiration or termination of this Agreement, the final monthly report to the Department no more than thirty (45) days after the expiration or termination of this Agreement." The purpose of this final report is for the Department to determine if the Provider has been paid funds not in accordance with the Agreement, and to which it is not entitled. If that were the case, the Provider shall return such funds to the County or submit appropriate documentation supporting the charges billed and paid by the County. Additionally, any unexpended or unallocated funds shall be recaptured by the County.

To date, neither UHCS nor the Department has provided the OIG with a copy of the final Monthly Progress Report. The Contract Officer indicated that the Final Report has been requested but never provided to the County by UHCS. The OIG also requested a copy of this report directly from UHCS but the Provider did not produce the Final Report for the OIG auditor.

*The OIG appreciates the cooperation and courtesies extended by all county personnel and UHCS representatives who were involved in our review of the County's Agreement with UHCS for the provision of elderly care services.*

*Please refer back to pages 2-6 at the beginning of this report for the Summary of Finding and Recommendations*

## **APPENDIX**

1. Notification letter to UHCS.  
UHCS's response. \*Note: Over 100 pages of newly submitted time sheets accompanied UHCS' response. These are not included herein, however, OIG maintains the copies in its audit files.
2. Notification letter to DHS.  
DHS's response.
3. Notification letter to Alliance for the Aging, Inc.  
Alliance for Aging, Inc. response.
4. Notification letter to Alliance for Human Services  
No response received.

## **EXHIBITS**

- A. UHCS Unit Cost Rate Sheet for Miami-Dade County.
- B. UHCS Budget Schedule by Program Activity.
- C. OIG's Schedule of UTIL Hours Charged Erroneously.
- D. Copy of Time Sheet with Altered Dates.
- E. OIG Analysis of Sampled Time Sheets for UHCS Personnel.
- F. Agreement Budget with Budgeted Unit Rates Charged to the County - Attachment B of the UHCS Contract.
- G. UHCS's Award Sheet for FY 2000-2001 from AAA.
- H. Schedule of Amount of UHCS Reimbursement Due to County based on OIG Extrapolated Error Rate.
- I. Schedule of UHCS Home Health Hours Erroneously Billed to County.
- J. DHS Contract Monitoring Report for UHCS – Fiscal Year 2000-2001.
- K. UHCS's Disclosure of Subcontractors and Suppliers.
- L. Sample UHCS's Time Sheets for Personal Care and Home Health Services (HHA).
- M. OIG Analysis of HHA Duplicate Hours Found in Time Sheets Submitted by UHCS in Response to OIG Draft Report.