STATE OF CONNECTICUT

PERFORMANCE AUDIT
HOME HEALTH CARE
PROVIDER REGULATION AND
QUALITY OF CARE

April 24, 2002

AUDITORS OF PUBLIC ACCOUNTS
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EXECUTIVE SUMMARY

In accordance with the provisions of Section 2-90 of the Connecticut General Statutes, we have conducted a performance audit of certain aspects of State and Federally funded Home Health Care, including the Connecticut Home Care Program for Elders. This audit encompassed a review of the regulatory processes, procedures and practices of both the Department of Public Health (DPH) and the Department of Social Services (DSS). Conditions disclosed as a result of our review and our accompanying recommendations are summarized below. Our findings are discussed in further detail in the "Results of Review" section of this report.

Frequency of Medicare Certification Surveys

The Department of Public Health is responsible for conducting Medicare re-certification surveys of Home Health Care Agencies at intervals of 12 to 36 months. We found two survey delinquencies, and three entities at risk of being surveyed late.

The Department of Public Health should take steps to ensure that Medicare re-certification surveys are completed within the required time frames. (See Item No. 1.)

Initial Licensure Inspection Instrument

All candidates for licensure as a Home Health Care Agency must undergo a thorough review and inspection before the Department of Public Health issues a provisional license. The Department's instrument for ensuring that an entity is in compliance with relevant sections of the State's regulations is a checklist referencing those regulations. Agency personnel report that this checklist is used for every new licensure, and is retained in the Home Health Care Agency's licensure file. However, the inspection document was missing from the files of the two most recently licensed Home Health Care Agencies.

The Department of Public Health should take steps to insure consistency in maintaining the checklist showing that an entity is in compliance with the regulations governing Home Health Care Agencies, which is the basis for an entity's provisional license. (See Item No. 2.)

Complaint Referrals from the Department of Public Health

Both the Department of Public Health (DPH) and the Department of Social Services (DSS) receive and investigate complaints. The DPH investigates complaints concerning those health care entities and professions that it regulates. The DSS investigates complaints regarding the programs that it administers. These areas may overlap at times. We found that, during the audited period, DPH received two complaints concerning services that it does not regulate. Therefore, DPH did not take action on these complaints. The two parties on whose behalf these complaints were filed were clients of DSS Connecticut Home Care Program for Elders. There is no procedure for referring complaints from DPH to DSS. This may result in unresolved issues involving DSS clients in those cases where DPH does not investigate.

The Department of Public Health and the Department of Social Services should make formal arrangements concerning information to be shared between the two agencies. Complaints that fall outside of DPH's jurisdiction should be referred to DSS, which can then determine if the subject party is a DSS client. That Agency can then act on the complaint accordingly. The arrangement should provide for confidentiality of client/patient data. (See Item No. 3.)

Maintenance of Records: Complaints

For one of three complaints investigated by DSS' Quality Assurance Division during the audit period, all of which we examined, DSS personnel provided the complainant with an opportunity to specifically identify instances of inappropriate payments. Further, the file indicates that the investigator "obtained a response from the recipient" and "reviewed the document." However, the complainant's response document could not be located at the time of our review.

Department of Social Services personnel should locate the missing complaint documentation. If it cannot be found, the Department should attempt to contact the complainant, and provide him/her with another opportunity to identify those specific issues raised in the complaint. As well, DSS should consider implementing a more systematic approach to documenting investigation contacts and maintaining investigation records. (See Item No. 4.)

Quality Assurance Reviews

The DSS has a procedure for monitoring and evaluating the Connecticut Home Care Program for Elders (CHCPE). However, this procedure has not been consistently applied. CHCPE personnel perform quality assurance reviews of the access agencies, those entities contracted to coordinate and manage services for CHCPE clients. These quality assurance reviews were done quarterly, covering a single region each quarter, from July 1997 through December 1999. However, for five quarters beginning January 1, 2000, through March 31, 2001, there were no quality assurance reviews. The Department has since resumed conducting the quality assurance reviews, and there have subsequently been two such reviews.

We recommend that Connecticut Home Care Program for Elders personnel continue to conduct regularly scheduled quality assurance reviews. If the quarterly schedule has become cumbersome, program personnel should modify the schedule so that it is manageable, given current personnel constraints, yet still meets the monitoring and assessment needs of the program. (See Item No. 5.)

Access Agency Reporting

According to their contracts, the access agencies, which manage and coordinate care for the clients of the Connecticut Home Care Program for Elders, must submit various reports to DSS periodically throughout the year. We found that 15 of the 83 required access agency reports were one month or more late, according to the due-dates established in the contracts. Department personnel did not take consistent action in trying to ensure that the delinquent reports were submitted to DSS; follow-up phone calls were made from two weeks to two months after delinquencies were noted.

Department personnel had concluded that the delinquent reporting was a concern. Therefore, in the contracts effective July 1, 2001, the Department has imposed penalties on the access agencies for delinquent reporting. The new contracts state that the "Department shall charge the contractor five hundred dollars ($500) for each report not provided to the Department by its due date. . .." As the Agency has already taken steps to correct this deficiency, we do not make a recommendation. (See Item No. 6.)

Evidence of Licensure and Certification

As indicated above, DSS requires that an applicant for enrollment or re-enrollment as a home health care provider submit a copy of its then-current license and a copy of its Medicare certification letter or results of the latest survey. Two Home Health Care Agencies of the 24 that we reviewed, submitted copies of their licenses as required for re-enrollment, but the licenses had expired before the enrollment process had been completed.

Since that time the Agency has instituted the practice of obtaining a current monthly listing of Medicare-certified Home Health Care Agencies from the Department of Public Health. This process started in May 2000. Agency personnel can now verify Medicare certification for all Home Health Care Agencies that submit an application for enrollment as a DSS provider against this list. Therefore, although the expired licenses might have presented a problem at the time, this compensating procedure addresses the concern. (See Item No. 7.)

INTRODUCTION

The Department of Social Services administers many programs with the goal of assisting families and individuals in need of such assistance to achieve self-direction, self-reliance and independence. Medical services rank among the most important of those programs.

Persons receiving medical assistance through Medicaid, and for whom their physicians so order, may be eligible to receive certain health care services at home. This includes skilled nursing visits and other medically-oriented services such as physical or occupational therapy, or the services of a home health aide. In addition, the Department administers various Medicaid waiver programs that promote independence and quality care for clients as a means to delay or avoid the clients' entry into a skilled nursing facility. The waiver of the statutory Medicaid requirements is necessary because many of the services provided are not normally included in Medicaid coverage. The Connecticut Home Care Program for Elders is one of these waiver programs. The goal of this program is to enable persons 65 and older, at risk of institutionalization, to receive the medical and related services they need to remain in their homes. In addition to helping preserve quality of life, such services are generally more cost-effective than entering a skilled nursing facility.

The Connecticut Home Care Program for Elders operates at three levels of service. Category 1 is for individuals at long-term risk of hospitalization or institutionalization if preventive services are not provided. The cost of a client's plan of care is limited to 25 percent of the weighted average Medicaid cost of care in a nursing facility. Category 2 targets individuals who are frail enough to require nursing facility care, but have sufficient resources to prevent them from qualifying for Medicaid. The care plan limit for Category 2 clients is 50 percent of the weighted average Medicaid cost of care in a nursing home. Services in both of these categories are State-funded. Category 3 services are funded at 100 percent of the weighted average Medicaid cost of nursing home care. Clients in this category have been determined to be Medicaid-eligible. Costs for this category of service are shared by the State and Federal governments. The two important considerations for enrollment in this program, in any category of service, are functional eligibility (physical need) and financial eligibility (financial need).

Home health services for Medicaid clients are restricted to medical services. This includes nursing care, physical or occupational therapy or speech-language pathology services, services of a home health aide, and medical supplies. Services for clients of the Connecticut Home Care Program for Elders (CHCPE) include these medical services, as well as others. The CHCPE program also pays for the following non-medical services that are deemed necessary for client care: adult day care, homemaker, companion, chore services, home-delivered meals, emergency response systems, mental health counseling and adult foster care. Funding for these services depends on a client's functional and financial eligibility, as described above.

The Connecticut Home Care Program for Elders is governed by the Regulations of Connecticut State Agencies at Section 17b-342. Critical to the functioning of the program, the State has contracted with three access agencies to manage and coordinate client care in five regions. Connecticut Community Care, Inc., is the access agency for the North Central, North Western, and South Eastern regions. The access agency for the South Central region is South

Central Connecticut Agency on Aging. The South Western Connecticut Agency on Aging serves the South Western region.

The governing regulations define an access agency as "an organization which assists individuals in receiving home and community based services. . .." The organization conducts assessments and develops plans of care tailored to the needs of the program's clients. An access agency cannot provide direct services to clients, other than care management for clients for whom the entity has conducted the assessment. Therefore, the access agency makes arrangements with direct service providers to provide those services that a client needs. Although direct medical services can be provided only by licensed Home Health Care Agencies, the ancillary services that may be necessary to keep an individual in his or her home need not be delivered by such licensed entity.

In State fiscal year 2000-2001, the Department recorded total expenditures of $140,616,194 for home health care, and $63,515,102 for its Connecticut Home Care Program for Elders.

Skilled services are delivered by health care entities licensed as Home Health Care Agencies by the Department of Public Health. This is the State's regulatory agency in matters of health care. The Department's Bureau of Regulatory Services regulates access to the environmental and health care professions, and has regulatory oversight of health care facilities. Within this Bureau, the Division of Health Systems Regulation has responsibility and authority for State licensure, Medicare certification and re-certification surveys and investigations of various health care facilities and services. This includes Home Health Care Agencies.

This Department has developed regulations to govern all Home Health Care Agencies providing services in the State of Connecticut. Connecticut State Regulations, Sections19-13-D65 through 19-13-D79, address the requirements for these entities.

AUDIT OBJECTIVES, SCOPE AND METHODOLOGY

The Auditors of Public Accounts, in accordance with Section 2-90 of the Connecticut General Statutes, are responsible for examining the performance of State entities to determine their effectiveness in achieving expressed legislative purposes. We conducted a performance audit of some segments of the Department of Social Services and the Department of Public Health in accordance with Generally Accepted Government Auditing Standards. This audit covered the effectiveness of various program issues, which is a type of performance audit. The audit focused on the regulation of Home Health Care Agencies generally, by the Department of Public Health, and on the procedures, policies, and practices of the Department of Social Services in assuring quality of care for its home health care clients, particularly those clients enrolled in the Connecticut Home Care Program for Elders.

Our audit objectives were

- to determine if home health care providers are suitably licensed and certified,
- to determine if complaints on home health matters are processed effectively, and
- to determine if the Department of Social Services has a vehicle for ensuring quality of care rendered to the clients of the Connecticut Home Care Program for Elders.

To achieve the first objective, we focused on the regulation of Home Health Care Agencies, which is the statutory responsibility of the Department of Public Health. Those issues that impact and reflect the quality of care provided to clients of certain State and Federally sponsored home care programs required a review of Department of Social Services policy and practice. We addressed the complaint issue through review of the patient/client complaint process at both agencies.

To accomplish our objectives, we interviewed parties knowledgeable about State licensing and Medicare certification procedures and about the Connecticut Home Care Program for Elders. We also reviewed applicable statutes and regulations, prior audit reports, and procedures and practices, reports, files, and documents of the Department of Public Health and the Department of Social Services.

We did not rely on computer-processed data to any material extent for the regulation portion of this audit; therefore, we did not test the reliability of such data. We relied moderately on computer-processed data from the Department of Social Services, however. Certain data on the enrollment of providers was found to be inconsistent for our purposes. Therefore, we used a combination of computer-processed data and manually-processed documentation.

We examined the Department of Public Health's State licensing and Medicare certification files covering State fiscal year 2000-2001. Our review of the Department of Social Services' enrollment and quality of care issues covered the same period. We also considered practices that were current at the time of the audit.

NOTEWORTHY ACCOMPLISHMENTS

The Medical Audit unit in the Quality Assurance Division of the Department of Social Services hired four registered nurses during calendar year 2000. The decision to hire the nurses was based upon a need to add medical expertise to the audit function. The Medical Audit unit has been historically staffed by auditors with accounting backgrounds. The nature of many of the audits performed require auditors to have more medical knowledge than accounting knowledge. This realization led to the request to add utilization review nurses to the audit staff.

Agency personnel report that the anticipated benefits of hiring utilization review nurses have been realized and that nursing personnel have been very helpful in the audits of Home Health Agencies. According to Medical Audit management, the ability to read and understand nursing notes, which are often an integral part of the documentation supporting home health claims, has enhanced the Department's audit capabilities. The utilization review nurses have been used on various provider audits and in each case, their medical knowledge has been beneficial to the audit process.

AREAS REQUIRING FURTHER REVIEW

Utilization of the Connecticut Home Care Program for Elders:

One of the premises of the Connecticut Home Care Program for Elders is that it represents a savings of public funding, both Federal and State, as the cost of caring for an elderly person at home is less than the cost of caring for that person in a skilled nursing facility.

During the course of our audit, we reviewed the Department of Social Services' quality assurance measures. As part of this review, we examined the annual client satisfaction surveys. One question in the questionnaire asks: "How would you manage without home care services?" Less than one third of respondent-clients have indicated that they would have to resort to institutional care if not for the program. This raises the question: Is the program being used by parties who would not need institutional care if not for the program, making it an additional service and not a less expensive alternative to institutionalization?

There are three different levels of service. The first level is for persons who are not at immediate risk of institutionalization. Rather, they are at risk of future institutionalization if their medical and social-medical needs are not addressed currently. This population of clients, then, is definitely not at risk of immediate institutionalization, by design. More difficult to answer is whether or not clients may utilize the program instead of relying on other resources, including services rendered by the family.

The options to the question included in the questionnaire are: "Help from friends;" "Enter a nursing home;" "Do without;" and "Other." There are several complications in interpreting the results of the questionnaire.

- Questionnaire recipients are not selected in a statistically representative manner. Therefore, extrapolation of the results of the questionnaire to the entire client population would be statistically suspect.
- This is an emotionally-charged issue, and respondent-clients may not answer the question entirely accurately. A client may misinterpret the question, may fear that the question alludes to pending nursing home placement, or may not be completely cognizant of his or her care needs and options.
- It would be difficult to predict how family and/or friends would respond to a client's situation in the absence of home care options.

Because of these issues, we could not adequately address the fundamental question of whether the Connecticut Home Care Program for Elders is utilized unnecessarily, making it an additional service rather than a less costly alternative to institutionalization. The information currently available is insufficient for such a query.

Furthermore, other considerations may impact the value of the program in other than economic terms. The Commissioner's Summary in the 1999 CHCPE Annual Report says "Development of home care options has helped to curb the spiraling costs of institutionalization, but its most important impact has been on the quality of life for Connecticut's older citizens."

Our analysis of the limited data that is available shows that the program does appear to save money, regardless of the assumption that the program is used by clients who might not be at risk of immediate institutionalization, or who access program services even though they might have other home health resources. Given that the information culled from the questionnaire is statistically suspect, if the 29.5 percent of respondent-clients (average over three years) who report that they would have to go to a nursing home if not for the program were to be so institutionalized, fully funded by Medicaid, the cost of institutional care at 1999 rates for these individuals exceeds the total cost of the Connecticut Home Care Program for Elders for 1999.

More conclusive evidence could be obtained only after additional comprehensive review, using a multi-disciplined approach.

RESULTS OF REVIEW

Item No. 1. Medicare Re-Certification – Frequency of Surveys

Background: All health care entities that plan to do business in association with Medicare must be Medicare-certified. The Department of Public Health (DPH) has been designated as the Medicare Survey Agency for the State. Once an entity has received its provisional license and has begun serving clients, the Department makes an unannounced site visit to conduct a Medicare survey. At this visit, the Department focuses on the entity's delivery of care to its clients. DPH recommends certification to the Federal Centers for Medicare and Medicaid Services (CMS, formerly the Health Care Financing Administration – HCFA) if the entity is found to be in compliance with regulations. CMS has final authority for granting certification and issuing provider numbers. Thereafter, a survey is conducted at intervals of 12 to 36 months, depending on the administrative stability of the entity, prior survey results, and complaint history. After a deficiency-free survey, the home care entity will receive a negative deficiency letter. If the survey indicates deficiencies, the entity must correct them within a specified time-frame.

Both the State license and the Medicare certification must be in place before an entity can apply to be a Home Health Care Agency provider for any of the programs administered by the Department of Social Services.

Criteria: Section 1891 (2)(A) of the Social Security Act requires that surveys of Home Health Care Agencies for Medicare re-certification take place within, at most, a 36-month period. Under certain circumstances, surveys must be more frequent.

Condition: We tested 23 entities out of the 83 currently Medicare-certified Home Health Care Agencies. Our review showed that five home health care entities were surveyed after the statutory 36-month maximum time allowed, or were at risk of such delinquent survey. This represents nearly 22 percent of our sample. The results are detailed in the following table.

Description of Delinquency	Number of Entities
Surveyed seven months late	1
Surveyed ten days late	1
Scheduled survey start date is 15 days late	1
Surveys not scheduled for entities with imminent survey expiration dates	2

Effect: The Department of Public Health, as Connecticut's State survey agency, is not in strict compliance with the regulations governing surveys of Home Health Care Agencies.

Cause: Two factors have contributed to these delinquent, and potentially delinquent, surveys.

Agency personnel report that they try to schedule the surveys to fall in the Federal fiscal year in which the 36-month limit occurs. As long as the survey occurs within this time frame, Department personnel consider that they have met the Federal requirement, even if the subsequent survey occurs later than 36 months from the prior survey. This practice accounts for the two delinquent surveys. Through a telephone conversation with personnel in the Boston office of CMS, we learned that this variation in interpreting the law appears to have been accepted. This is the organization that oversees Connecticut's Medicare survey and certification process.

Another factor in the potential delinquency of two surveys and the one survey that has been scheduled late, is the temporary redistribution of human resources at DPH. A recent strike in the health care industry in this State involved many DPH employees in various tasks and responsibilities relating to the strike, at the cost of those employees' usual non-urgent job responsibilities. This situation included DPH's home health care unit employees, who could not fulfill their normal job requirements as well as those related to the strike.

Recommendation: The Department of Public Health should take steps to ensure that Medicare re-certification surveys are completed within the required time frames. (See Recommendation 1.)

Agency Response: "The Department has changed its process for scheduling home health surveys. At the beginning of each Federal fiscal year, the Department will do a preliminary schedule for the upcoming year, using the federal OSCAR [Online Survey and Certification Automated Reports] database to ensure that all the surveys are conducted within 36 months of the previous survey. At the beginning of each subsequent month the schedule will be reviewed and revisions made as necessary.

We would like to emphasize, as the report notes, that CMS has been aware of Connecticut's scheduling process and has never indicated that Connecticut's process was not in compliance with federal requirements."

Item No. 2. State Licensure for Home Health Care Agencies – Initial Licensure Inspection / Inspection Instrument

Background: To provide skilled home health services in the State of Connecticut, an entity must first be licensed by the Department of Public Health as a Home Health Care Agency. This process includes a scheduled initial inspection visit by the Department's regulatory personnel. If an entity meets the regulatory requirements for a Home Health Care Agency, the Department issues a provisional license, which is valid for one year. The entity cannot provide home health care services to clients until the provisional license is issued. Prior to the expiration of the provisional license, the Department performs another licensure inspection, unannounced. If the results are positive, the Home Health Care Agency will receive an initial-permanent license. Thereafter, all licensure inspections are unannounced and occur approximately every two years, resulting in a renewal license if the results of the review are satisfactory. If the results of a licensure inspection are not satisfactory, the Department issues a Letter of Violation. A Home Health Care Agency must correct the deficiencies within a specified period of time before a renewal license will be issued.

Both the State license and the Medicare certification must be in place before an entity can apply to be a Home Health Care Agency provider for any of the programs administered by the Department of Social Services.

Criteria: The Regulations of Connecticut State Agencies, Sections 19-13-D65 through 19-13-D79, detail the requirements of the State's Home Health Care Agencies. All candidates for licensure as a Home Health Care Agency must receive a thorough review and inspection before the provisional license is issued. The Department's instrument for ensuring that an entity is in compliance with the relevant sections of the regulations is a checklist referencing the regulations. Agency personnel report that this checklist is used for every new licensure, and is retained in the Home Health Care Agency's licensure file.

Condition: We reviewed the licensing files for the four latest Home Health Care Agency licensures. The files for the two most recent licensures, which were the only provisional licenses issued in the fiscal year ending June 30, 2001, did not include the checklist showing compliance with all the regulations. The checklist was present in the remaining two files we reviewed.

For subsequent license renewal, Agency personnel report that inspectors may use an old checklist as a working inspection document. However, this is not required. The regulations have not been updated on this form,

and it is not retained in the files after the inspection documentation is completed.

Effect: There is no detailed documentation to provide assurance that the two most recently licensed Home Health Care Agencies are in compliance with the regulations governing such health care entities.

Cause: Agency personnel assert that a manual checklist was completed for these two entities, as it is for all initial licensures. However, the information was not transferred to the computer-generated form that is kept in the files, and the manually prepared forms were discarded.

Recommendation: The Department of Public Health should take steps to ensure consistency in maintaining the checklist showing that an entity is in compliance with the regulations governing Home Health Care Agencies. One possible step would be to update the old regulation checklist that is sometimes completed manually for the initial site inspection, and retain that form rather than transferring the information to a computer-generated form for filing. Taking this step would make the process easier and more efficient, eliminating the need to transfer information from the inspection instrument to the file document. (See Recommendation 2.)

Agency Response: "The Department has developed a two-tier process whereby a Licensing Examination Assistant will conduct a review of the licensure file to ensure completeness and then a Supervising Nurse Consultant will do a secondary review. This change was effected immediately, thus ensuring all required documents are completed prior to initial licensure."

Item No. 3. Sharing complaint information between the Department of Public Health and the Department of Social Services

Background: The Department of Public Health's (DPH) complaint process for Home Health Care Agencies is the same as for other types of health care providers. In the event that a situation is deemed to pose an immediate threat to the health or safety of a patient, the Department must investigate the situation within 48 hours. If a complaint does not represent an immediate threat to the health or safety of a patient, the timing and scope of the investigation are at the discretion of the Department's professional personnel. Some complaints that are made to the Department are not within its jurisdiction, and therefore, will not be investigated by it. The Department is required to investigate only those complaints related to professions and institutions that it regulates.

It should be noted that DPH personnel report that they encourage complainants to take their complaints to other authorities if the

Department does not have jurisdiction over a reported matter. Other appropriate authorities may include, but are not limited to, the client's home care administration, law enforcement agencies, the Insurance Department, or the Department of Consumer Protection, depending on the nature of the complaint.

The Department of Social Services investigates complaints related to its clients and programs. The complaints that the Connecticut Home Care Program for Elders processes fall into two categories: health and safety complaints, and more routine complaints such as service delivery. If a complaint regards potential neglect or abuse of the elderly, it must be referred to Protective Services for the Elderly, in the Division of Social Work and Prevention Services. If a complaint involves potential fraud, it may be referred to the Department's Quality Assurance unit for further investigation.

For the purposes of this audit, we reviewed DSS' complaint review process for the Connecticut Home Care Program for Elders, as well as DPH's response to complaints related to Home Health Care Agencies.

Criteria: The Quality Enhancement Plan, which DSS has been required to implement to maintain Federal authorization to operate the Connecticut Home Care Program for Elders as a Medicaid waiver program, indicates that the Department of Social Services (DSS) and the Department of Public Health (DPH) will cooperate in sharing information. The plan specifically says that "serious issues of non-compliance with the regulations are brought to the attention of staff at DSS; in addition, DSS shares with DPH referrals that relate to non-compliance or other matters by licensed home health agencies." However, sharing information for other than "serious issues of non-compliance with the regulations" does not appear to have been addressed.

Condition: Two complaints concerning homemakers were filed with the Department of Public Health. Because DPH does not regulate this service, Agency personnel did not issue findings in the first case, and determined not to investigate in the second case. The Department took no further action in either instance. This was appropriate, as the Department is not mandated to act on complaints outside of its jurisdiction.

Effect: In both of the above instances, the home health care patients on whose behalf the complaints were filed, were clients of the Department of Social Services' Connecticut Home Care Program for Elders at the time. Because DPH took no further action on these complaints, the clients' complaints might not have been resolved.

Our review of client records and complaint documents at the Department of Social Services indicates that complaints were filed independently with the Department for these two clients. In both cases, the issues were resolved at the appropriate level, though not by DSS personnel. One complaint was resolved by the Home Health Care Agency delivering services, and the other was resolved by the party responsible for directing the client's care.

Cause: It is not a Department of Public Health practice to routinely refer to the Department of Social Services those complaints that are not in DPH's jurisdiction. Furthermore, DPH does not have the resources to determine if a Home Health Care Agency patient is a DSS client. Therefore, Department of Public Health personnel do not know if a specific complaint should be referred to DSS for further review.

Also, the information included in the Quality Enhancement Plan does not reflect a formal agreement, but rather, is an oral arrangement. There is no formal procedure for inter-agency referrals.

Recommendation: The Department of Public Health and the Department of Social Services should make formal arrangements regarding information to be shared between the two agencies. Complaints that fall outside of DPH's jurisdiction should be referred to DSS, which can then determine if the subject party is a DSS client, and act on the complaint accordingly. The arrangement should provide for confidentiality of client/patient data. (See Recommendation 3.)

DPH Response: "The Department of Public Health is working with the Department of Social Services to delineate those complaints that should be shared with the other agency. In the meantime, this Department will contact DSS upon receipt of each complaint to ascertain whether it concerns a DSS client, and if so, will forward a copy of said complaint to DSS for its review."

DSS Response: "The Department agrees that having a mechanism in place to insure that any complaint involving a DSS client is properly acted on by either DPH or DSS would be desirable. Therefore, the Department will discuss with DPH the possibility of sharing complaints DPH receives so that DSS can determine if it involves a DSS client. Concerns about the confidentiality of that information will have to be addressed before DPH could release the information to DSS."

Item No. 4. Records Maintenance – Complaints

Criteria: Maintaining adequate records is essential in determining that all appropriate steps have been taken in a given process. In addition, questions sometimes arise that can only be answered by reviewing existing documentation.

Condition: The Connecticut Home Care Program for Elders recorded 26 complaints in State fiscal year 2000-2001. These 26 complaints consisted of 11 general complaints and 15 health and safety complaints. The Department's Quality Assurance Division investigated three additional complaints. We reviewed seven of the 26 complaints filed with the CHCPE, and all of the complaints investigated by the Quality Assurance Division.

DSS complaint records indicate that, for one of the complaints investigated by DSS' Quality Assurance Division, DSS personnel provided the complainant with an opportunity to specifically identify instances of inappropriate payments. Further, the file indicates that the investigator "obtained a response from the recipient" and "reviewed the document." However, the complainant's response document could not be located at the time of our review.

Effect: The absence of the referenced document in DSS' fraud complaint files weakens the Department's assertion that there was no evidence to substantiate the complainant's allegations. Furthermore, it brings into question the Division's thoroughness in responding to complaints.

Cause: Agency personnel did not know why the information was missing from the file.

Recommendation: Department of Social Services personnel should try to locate the missing complaint documentation. If it cannot be found, the Department should make another attempt to contact the complainant, and provide another opportunity to identify the specific issues raised in the complaint. Further, DSS should consider implementing a more systematic approach to documenting investigation contacts and maintaining investigation records. (See Recommendation 4.)

Agency Response: "The Department agrees that it could not locate the specific document in question. However, the complaint file indicated that the reviewer spoke to the complainant on several occasions and determined that the allegations were unfounded. The Department believes it has sound written procedures for handling complaints. We will, however, review our filing procedures to insure that all documentation is properly maintained."

Auditor's Concluding Comment:

Sound written procedures for handling complaints notwithstanding, in this instance, the Agency could not produce a pivotal piece of evidence to support its conclusion that the complaint is unfounded. We maintain that, because this evidence is cited as part of the basis for the conclusion, it is needed to complete the documentation on this complaint.

Item No. 5. Quality Assurance Reviews

Background: The Department of Social Services employs various means to ensure that the Connecticut Home Care Program for Elders (CHCPE) delivers quality services to its clients.

One quality assurance process is the review of one region per quarter, selected by CHCPE personnel. DSS reviewers may examine financial records, personnel records and schedules, personnel policies and practices, the complaint process, and the access agency's quality assurance procedures. Each quality assurance review includes an examination of selected client records, and may include client and subcontractor site visits. The primary purpose of the review is to determine if the access agency in that region is adequately delivering services to meet client needs in accordance with the contract and with the standards of the Connecticut Home Care Program for Elders.

Criteria: It is the responsibility of all State agencies to monitor and evaluate the programs that they fund.

Condition: Although DSS does have a procedure for monitoring and evaluating the Connecticut Home Care Program for Elders, this procedure has not been consistently applied. CHCPE personnel perform quality assurance reviews of the access agencies, those entities contracted to coordinate and manage services for CHCPE clients. These quality assurance reviews were done quarterly, covering a single region each quarter, from July 1997 through December 1999. However, for five quarters beginning January 1, 2000, through March 31, 2001, the Department did not conduct quality assurance reviews. The Department has since resumed conducting the quality assurance reviews, and there have subsequently been two such reviews.

Effect: Access agency services and administration were not subject to systematic evaluation for that period of time that the reviews were not done. This means that CHCPE personnel were not in a position to assess the quality of care for those quarters in which a quality assurance review was not completed.

Cause: Competing priorities within the program resulted in some of the administrative responsibilities being postponed.

Recommendation: We recommend that CHCPE program personnel continue to conduct regularly scheduled quality assurance reviews. If the quarterly schedule has become cumbersome, program personnel should modify the schedule so that it is manageable given current personnel constraints, yet still meets the monitoring and assessment needs of the program. (See Recommendation 5.)

Agency Response: "The Department agrees that the Quality Assurance reviews are an important tool for monitoring and evaluating the Connecticut Home Care Program for Elders. As noted in the finding, the Department has resumed conducting the Quality Assurance reviews and intends to continue with the reviews. The Department will also assess its present review schedule to determine if it needs to be revised."

Item No. 6. Reporting by Access Agencies

Background: The Department of Social Services employs various means to ensure that the Connecticut Home Care Program for Elders delivers quality services to its clients.

There are three access agencies, entities contracting with DSS to coordinate and manage services for CHCPE clients. Each one submits various reports on its activities to the Department. The timing and nature of these reports are included in each access agency contract. These reports provide a means by which the Department can monitor the access agencies' performance. The required reports include the annual audited financial report, annual length of stay reports, monthly activity reports, quarterly assessment and care management activity reports, quarterly financial cost reports, quarterly client contributions report, quarterly report on minority and female-owned businesses, and the annual report on quality assurance and client satisfaction. The Agency uses the information in these reports, among other uses, to identify trends in services, for research on specific inquiries, and to promote a level of access agency accountability.

Criteria: Part III.5.B. of the access agency contracts that expired June 30, 2001, required that the access agencies submit various reports to the Department of Social Services periodically throughout the year. The report deadlines were also stipulated in the contract.

Condition: The three access agencies, combined, should have submitted 83 reports for our audited period. Fifteen of the 83 reports were one month or more late,

according to the due-dates established in the contracts. This represents an exception rate of 18 percent. Department personnel did not take consistent action in trying to ensure that the delinquent reports were submitted to DSS. Follow-up phone calls were made from two weeks to two months after delinquencies were noted.

Effect: The access agencies were non-compliant with the specific requirements of their contracts regarding the due-dates of various reports. The information was not available when required.

Cause: The Agency had viewed the reports with some degree of informality. Furthermore, the purpose of some of the reports was sometimes served even when the reports were delinquent.

Conclusion: Department personnel recognized that the access agencies were not fulfilling their contractual obligations, and that this could impede the Department in fulfilling its purposes for this program. Therefore, in the contracts effective July 1, 2001, the Department imposes penalties on the access agencies for delinquent reporting. The new contracts state that the "Department shall charge the contractor five hundred dollars ($500) for each report not provided to the Department by its due date. . .."

Item No. 7. Enrollment as a Department of Social Services Provider – Evidence of Licensure / Certification

Background: The Department of Social Services employs various means to ensure that the Connecticut Home Care Program for Elders delivers quality services to its clients.

One of the most critical, and elemental, means of ensuring quality care for its clients, the Department of Social Services requires all Home Health Care Agencies that wish to conduct business with the Department to provide evidence of current State licensure and Medicare certification. The Department of Public Health manages the licensure and certification requirements.

Criteria: The Department of Social Services requires that each Home Health Care Agency applying for enrollment or re-enrollment as a provider submit a copy of its then-current State Home Health Care Agency license and Medicare certification.

Condition: Two Home Health Care Agencies of the 24 that we reviewed, or eight percent, submitted copies of their licenses as required for re-enrollment, but the licenses had expired before the enrollment process had been completed.

Since that time the Agency has instituted the practice of obtaining a monthly listing of currently Medicare-certified Home Health Care Agencies from the Department of Public Health. This process started in May 2000. The Medicare-certification status of all Home Health Care Agencies that submit an application can now be verified using this list. Therefore, although the expired licenses might have presented a problem at the time, this compensating procedure addresses this concern.

It should be noted that the list does not include licensing data. However, earlier testing at DPH revealed that all Medicare-certified Home Health Care Agencies are also State licensed. These entities must be licensed if they want to retain their Medicare-certified status.

Effect: At the time of approval for enrollment for the two entities whose licenses had expired, the State had no assurance that those entities were licensed on a continuing basis and that they met the standards the State sets for Home Health Care Agencies.

Cause: When a Home Health Care Agency submits its application for re-enrollment, DSS Quality Assurance Division performs a review of the applicant's data. This may be a relatively quick process or it may take some time, depending on whether reviewers encounter complications in the review process. In addition, if the applicant has not provided all necessary information, processing the enrollment application takes longer.

Conclusion: We make no recommendation, as the Agency has already taken alternative action, by obtaining current Medicare certification documentation from the Department of Public Health, to correct the deficiency.

RECOMMENDATIONS

1. **The Department of Public Health should take steps to ensure that Medicare re-certification surveys are completed within the required time frames.**

   Comment:

   The Social Security Act requires a survey for re-certification of Home Health Care Agencies at a maximum of 36-month intervals. However, our review of a sample of Medicare-certified entities showed that the Agency did not always complete the surveys within the allowed time frame.

2. **The Department of Public Health should take steps to ensure consistency in maintaining the checklist showing that an entity is in compliance with the regulations governing Home Health Care Agencies. One possible step would be to update the old regulation checklist that is sometimes completed manually for the initial site inspection, and retain that form rather than transferring the information to a computer-generated form for filing. Taking this step would make the process easier and more efficient, eliminating the need to transfer information from the inspection instrument to the file document.**

   Comment:

   Although it is the Agency's reported practice to retain the checklist of regulations for initial licensure, we found that this document was not on file for the two most recently licensed Home Health Care Agencies.

3. **The Department of Public Health and the Department of Social Services should make formal arrangements regarding information to be shared between the two agencies. Complaints that fall outside of DPH's jurisdiction should be referred to DSS, which can then determine if the subject party is a DSS client, and act on the complaint accordingly. The arrangement should provide for confidentiality of client/patient data.**

   Comment:

   A review of a sample of complaints registered with the Department of Public Health revealed that two of the complaints concerned services that were received by Department of Social Services' clients, but were for services not regulated by DPH. These complaints were not referred to the Department of Social Services so that DSS might pursue a satisfactory resolution to the problems addressed in the complaints. There is no formal agreement between the two agencies addressing such referral.

4. **Department of Social Services personnel should try to locate the missing complaint documentation. If it cannot be found, the Department should make another attempt**

to contact the complainant, and provide another opportunity to identify the specific issues raised in the complaint. Further, DSS should consider implementing a more systematic approach to documenting investigation contacts and maintaining investigation records.

Comment:

Clients of the Connecticut Home Care Program for Elders have various avenues for resolving their complaints, should the need arise. One step in the process, depending on the nature of the complaint, involves referral of complaints by program personnel to the Department's Quality Assurance Division. Three referrals were made in the State fiscal year ending June 30, 2001. Essential documentation for one such complaint could not be located, although it was referred to in other file documents.

5. **We recommend that CHCPE program personnel continue to conduct regularly scheduled quality assurance reviews. If the quarterly schedule has become cumbersome, program personnel should modify the schedule so that it is manageable given current personnel constraints, yet still meets the monitoring and assessment needs of the program.**

   Comment:

   It is DSS practice to conduct quarterly reviews of the access agencies. One region is selected for review each quarter. The reviews started July 1997 as a means of monitoring the quality of care that is coordinated and managed by the access agencies. From the period of January 1, 2000, through March 31, 2001, the Agency did not complete any reviews. Program personnel have since resumed this means of monitoring.

CONCLUSION

In conclusion, we wish to express our appreciation for the cooperation and courtesies extended to our representatives by the officials and staff of the Department of Public Health and the Department of Social Services during this audit.

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