

**DEPARTMENT OF ELDER AFFAIRS**

**CONSUMER-DIRECTED CARE PLUS PROGRAM,  
AGING RESOURCE CENTERS, AND PRIOR AUDIT  
FOLLOW-UP**

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**Operational Audit**



## SECRETARY OF THE DEPARTMENT OF ELDER AFFAIRS

Section 20.14, Florida Statutes, creates the Department of Elder Affairs. The head of the Department is the Secretary of Elder Affairs who is appointed by the Governor and subject to confirmation by the Senate. The following individuals served as Secretary:

Charles T. Corley	From August 2011 June 2010 to August 2011 (Interim)
E. Douglas Beach, Ph.D.	From July 2009 to June 2010

The audit team leader was Nick Pappas, CPA, and the audit was supervised by Karen Van Amburg, CPA. Please address inquiries regarding this report to Jane Flowers, CPA, Audit Manager, by e-mail at [janeflowers@aud.state.fl.us](mailto:janeflowers@aud.state.fl.us) or by telephone at (850) 487-9136.

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## DEPARTMENT OF ELDER AFFAIRS

### Consumer-Directed Care Plus Program, Aging Resource Centers, and Prior Audit Follow-up

#### SUMMARY

This operational audit of the Department of Elder Affairs focused on the Consumer-Directed Care Plus (CDC+) Program and the operations of Aging Resource Centers (ARCs) and included a follow-up on prior audit findings. Those matters requiring corrective action are described below.

#### CDC+ PROGRAM

**Finding No. 1:** The Department did not always timely request background screenings for CDC+ Program direct service providers. In addition, the Department did not always ensure that background screenings for CDC+ Program direct service providers were free of disqualifying offenses.

**Finding No. 2:** The Department did not always maintain for consumer cash purchases documentation to demonstrate that the amounts expended were for authorized purposes. In addition, we noted instances in which cash payments were made to consumer representatives after the consumers had left the program.

#### ARCs

**Finding No. 3:** The data captured in the ARCs' call tracking system lacked the quality and consistency needed to allow the Department to perform meaningful analysis of the data for the purpose of ensuring that consumers were referred in an effective and timely manner.

**Finding No. 4:** The ARCs did not always follow up consumer contacts within the required timeframes. Also, ARC subcontracted providers enrolled consumers, which increased the risk for conflicts of interest in the assessment of the need for particular services for consumers.

**Finding No. 5:** With respect to monitoring, the Department should enhance documentation of its ARC risk assessment and reporting.

#### INFORMATION TECHNOLOGY CONTROLS

**Finding No. 6:** Department management of the Client Information and Registration Tracking System (CIRTS) access privileges needed improvement.

**Finding No. 7:** Certain security controls protecting CIRTS data and Department IT resources needed enhancement.

#### BACKGROUND

Pursuant to Florida law,<sup>1</sup> the Department of Elder Affairs (Department) serves as the primary State agency responsible for administering human services programs for the elderly and for developing policy recommendations for long-term care. The Department is organized into three divisions: Financial Administration, Statewide Community-Based Services, and Internal and External Affairs.

The Department's service delivery network is established by law,<sup>2</sup> and the network consists of 11 local public or not-for-profit private entities, known as Area Agencies on Aging (AAAs), that coordinate and administer the Department's programs within distinct geographical Planning and Service Areas (PSAs) established by the Department. The AAAs contract with not-for-profit organizations that act as Lead Agencies within each county or geographical area. Lead Agencies, in turn, subcontract with other providers for the delivery of services.

<sup>1</sup> Section 430.03, Florida Statutes.

<sup>2</sup> Section 20.41, Florida Statutes, and Chapter 430, Florida Statutes.

The Department provides support and oversight for a variety of home and community-based services, including those under the Aged and Disabled Adult Waiver, Assisted Living for the Frail Elderly Waiver, Older Americans Act programs, Community Care for the Elderly programs, the Alzheimer’s Disease Initiative, and the Home Care for the Elderly Program. For the 2010-11 fiscal year, the Department’s appropriations for services relative to these programs totaled approximately \$294 million.

**FINDINGS AND RECOMMENDATIONS**

**CDC+ Program**

The CDC+ Program is a self-directed option for clients (consumers) participating in the Aged and Disabled Adult Waiver Program. As of January 2011, there were approximately 238 consumers enrolled in the CDC+ Program at the Department. The expenditures incurred for providing services for these consumers totaled approximately \$4.3 million during the 2010-11 fiscal year.

**Finding No. 1: CDC+ Provider Screenings**

State law has required all persons who provide care (providers) to consumers of the CDC+ Program to undergo a criminal background screening, and as of August 1, 2010, this law was amended to require level 2 background screenings for providers.<sup>3</sup> To be effective, such screenings should be completed prior to any contact between the provider and the consumer. Consistent with this requirement, Florida law was also amended, effective August 1, 2010, to provide that the Department may not hire, select, or otherwise allow a provider to have contact with any vulnerable person that would place the provider in a role that requires background screening until the screening process is completed.<sup>4</sup> Florida law<sup>5</sup> lists the offenses that disqualify a person for employment as a provider unless the provider requests, and the Department grants, an exemption. If the Department has reasonable cause to believe that grounds exist for the denial or termination of employment of any provider as a result of the background screening, it shall notify the provider in writing, stating the specific record that indicates noncompliance with the law. It is the responsibility of the affected provider to contest his or her disqualification or to request exemption from disqualification.<sup>6</sup>

We audited background screenings for 35 direct service providers who furnished services, such as companion, homemaker, and personal care assistance, to 21 CDC+ Program consumers. As shown in Table 1, our audit disclosed deficiencies in records or processes for 12 providers.

<sup>3</sup> Section 409.221(4)(i), Florida Statutes, as amended by Section 24 of Chapter 2010-114, Laws of Florida.

<sup>4</sup> Section 435.06(2)(a), Florida Statutes, as amended by Section 40 of Chapter 2010-114, Laws of Florida.

<sup>5</sup> Sections 435.03 and 435.04, Florida Statutes.

<sup>6</sup> Section 435.06(1), Florida Statutes.

**Table 1  
Background Screenings for CDC+  
Direct Service Providers**

Provider	Date Employed	Date Background Screening Received	# of Working Days Elapsed from Employment to Receipt of Screening
1	3/13/2010	4/12/2010	21
2	6/30/2007(a)	12/20/2010	874
3	6/30/2007(a)	12/17/2010	873
4	6/30/2007(a)	(b)	(b)
5	6/30/2007(a)	12/29/2010	880
6	6/30/2007(a)	7/15/2009	514
7	8/1/2009	11/24/2010	332
8	1/12/2008	12/9/2010	734
9	8/8/2009	12/5/2010 (c)	332
10	9/5/2009	12/3/2010	312
11	4/3/2010	2/22/2011	223
12	8/7/2010	7/26/2010 (c)	-

- (a) No Department records for this provider prior to 6/30/07, when the Department assumed the background screening functions previously performed by a contracted provider.
- (b) The Department was unable to locate a background screening report for this provider.
- (c) The provider’s background screening results showed disqualifying offenses.

Additional analysis of screening records for these 12 providers disclosed:

- For 10 providers, background screenings were received 21 to 880 working days after the provider began working. For one provider, the Department could not locate documentation to evidence that a background screening had been completed.
- For 2 of these 12 providers, a disqualifying offense was shown by the background screening report, as described below:
  - One provider began working with a consumer in August 2009, and the Department received the background screening results in December 2010. The provider continued to work with the consumer, and an exemption was granted by the Department, but not until July 2011.
  - One provider began working with a consumer in August 2010. The Department received the results of the provider’s screening in July 2010, before the provider began working, but the provider continued to work with the consumer until the Department notified the provider of ineligibility in October 2010. The Department paid \$1,135 to the provider for companion, homemaker, and personal care assistance services provided to the consumer from August 2010 through October 2010.

Although the Department’s procedures address the processes to be used in obtaining and reviewing the required background screenings for all direct service applicants, Department staff did not follow the procedures in the instances described above. Delays in the completion of the Department’s background screening process increases the risk of CDC+ Program consumers being exposed to providers with disqualifying offenses.

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**Recommendation:** We recommend that the Department review CDC+ Program consumers' provider files to ensure that all providers have been subjected to a current background screening that is free of disqualifying offenses. In addition, Department management should more closely monitor staff compliance with Department procedure.

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**Finding No. 2: CDC+ Expenditures**

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Consumers participating in the CDC+ Program directed their own care and managed the budget allocated for their care needs. The Department provided consultant services to assist consumers in assuming their care management responsibilities. Expenditures for the CDC+ Program included payments to providers and vendors engaged by the consumer, as well as checks written by the Department directly to the consumer or the consumer's representative, usually in advance of cash purchases. The Department's CDC+ Guidelines required the consumer's consultant to review and maintain receipts for all cash purchases.

Our test of cash payments to 32 consumers, totaling \$39,431, disclosed that checks totaling \$7,202 were written to 10 consumers or their authorized representatives to purchase goods or services for which an invoice or receipt was not maintained by the consultant, consumer, or representative to substantiate the purchase. For 3 of these 10 consumers, further inquiry disclosed that payments totaling \$3,026 were made to the consumers' representatives after the consumers were no longer participating in the CDC+ Program. In these instances, the consumers' consultants did not notify the Department until approximately 4 months after the consumers had left the program, and the cash payments continued to be made until the Department was notified of the consumers' disenrollments. Details relating to these payments were provided to the Department for further investigation by the Department's Inspector General. The Department indicated it planned to attempt to recoup these payments from the representatives.

Absent documentation to substantiate purchases made by consumers, the Department lacks the records to demonstrate that Program funds were expended for authorized purposes.

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**Recommendation:** We recommend that the Department continue attempts to substantiate the appropriateness of the undocumented payments and proceed with recoupment for the payments made after consumers left the Program. In addition, the Department should remind consultants that invoices and receipts must be retained in accordance with the CDC+ Guidelines.

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**Aging Resource Centers**

Each of the eleven AAAs in Florida is a designated Aging Resource Center (ARC). The ARCs were designed to provide a single, coordinated system of information and access for all persons seeking long-term care resources. The ARCs are to provide the public with information and services through multiple entry points, providing uniform information and referral and streamlined access to public and private long-term care services. To streamline eligibility for services, staff of the Department's Comprehensive Assessment and Review for Long-Term Care Services (CARES) Program and eligibility specialists within the Department of Children and Family Services are to work together at each ARC. The goals of the ARCs are enhanced individual choice, informed decision-making, reduced service fragmentation, streamlined access to services, and improved fiscal control over public long-term care resources.

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**Finding No. 3: ARC Consumer Call Tracking**


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The Department's contracts with the ARCs require the ARCs to establish and use a secure computerized system for collecting and organizing inquirer data, such as that relating to service requests, unmet needs, and demographic data. Every call, including information only calls, must be documented with respect to the type of information requested. In order to comply, the ARCs contracted with a vendor to provide software (ReferNET) to track all incoming and outgoing calls on the Department's information and assistance service, the Elder Helpline. ReferNET is an automated call tracking system that allows the ARCs to manually add details as to the purpose of the call and any details of actions taken as a result of the call.

Since the ARCs document the consumer information, intake, and referral process through the ReferNET system, and the Department is to use the data to verify whether the ARCs are meeting the statutory goals regarding information, response, and referral, it is imperative that ReferNET data be complete and consistent. Our analysis of reports and data generated from the ReferNET system disclosed that the data was not complete and uniformly classified. Specifically:

- Certain ReferNET data was not uniformly classified as to the call type (reason for call), but rather was classified using schemes unique to each specific ARC. Exhibit A shows examples of the variations in call type (reason for call) classifications used by five of the ARCs. In addition, since the call type classification was a manually-input field, we noted within each ARC, the usage of numerous duplicate call type classifications with minor spelling or wording differences.
- In addition, the call type (reason for call) classification in ReferNET was not a required field, and we noted that 359,856, or 43 percent, of all calls recorded in ReferNET from January 2009 through February 2011 did not have a call type classification recorded.

The lack of uniform and complete ReferNET records rendered the data virtually unusable for analytical purposes. Thus, the Department could not readily use the data generated from ReferNET to monitor the ARCs' responsiveness to consumers.

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**Recommendation:** We recommend that the Department implement standardized call type (reason for call) classifications for ARCs to use when recording consumer calls in ReferNET. In addition, the Department should direct ARC staff to use the standard call type classifications and ensure that the call type classification is not left blank. Once the validity and consistency of ReferNET data is corrected, the Department should periodically analyze the ReferNET data as part of its monitoring process to verify whether the ARCs are meeting the statutory goals regarding information, response, and referral of the Department's consumers.

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**Finding No. 4: Consumer Enrollment**


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State law<sup>7</sup> requires the ARC to provide an initial screening of all consumers referred for long-term care services. State law<sup>8</sup> also prohibits the Department or the ARC from making payments for services for any person who was not screened and enrolled through the ARC. Additionally, the contract with the Department requires ARC staff to contact the referred person within 14 business days to verify that the consumer has been appropriately served.

Our test of 25 consumers who were newly referred during the period July 2009 through February 2011 disclosed:

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<sup>7</sup> Section 430.2053(3)(b), Florida Statutes.

<sup>8</sup> Section 430.2053(11), Florida Statutes.

- For 2 consumers, ARC staff did not perform a follow-up contact within 14 business days of the referral. The follow-up contacts were made 27 and 30 business days after the referral.
- Contrary to provisions of law which require that the ARCs screen and enroll consumers, for 8 consumers, enrollment was not completed by the ARC, but through the consumer's service provider (for example, a home-delivered meals provider). The Department allowed the ARCs to subcontract with service providers to enroll consumers, provided the ARCs monitored the providers to ensure that the consumer's selection of services was free of conflicts of interest. ARCs were to accomplish this by determining that the services provided were in the consumers' best interest, the most cost-effective, of high quality, and responsive and appropriate.

Absent timely follow-up on consumer services by the ARCs, the Department has reduced assurance that consumers received effective services when they were needed. Additionally, allowing service providers to enroll consumers creates opportunities for conflicts of interests, increasing the risk that providers may enroll consumers in services that benefit the provider rather than the consumer.

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**Recommendation:** We recommend that the Department ensure that all consumers are enrolled through the ARCs in accordance with the law. We also recommend that the Department continue to remind ARCs of the contractual timeframes for consumer referral follow-up.

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#### **Finding No. 5: ARC Monitoring**

The Department is responsible for monitoring the activities of the AAAs to ensure that State and Federal funds are used in compliance with laws, regulations, contract provisions, and grant agreements. The Department's staff monitored each AAA, including its ARC functions, annually and prepared an overall annual report summarizing the monitoring. Prior to the monitoring visit, Department monitoring staff conducted a risk assessment that considered the previous year's findings, independent auditor's reports, and any significant changes the AAA had undergone. The risk assessment determined the areas in which the monitoring team planned to focus more detailed reviews.

We tested the Department's risk assessment and monitoring tools completed in November 2010 for four AAAs, and noted the following:

- Although Department staff prepared agendas for the risk assessment meetings, staff did not maintain notes or minutes from these meetings, or otherwise document the results of the risk assessment and correlate the risks to the monitoring procedures performed.
- For each of the four ARCs, the tools and checklists completed during monitoring identified deficiencies that were not included in the monitoring report. These deficiencies included, for example, the absence of ARC documentation to indicate timely follow-up contacts with consumers. Upon our inquiry, Department monitoring staff indicated that deficiencies were not carried forward to the monitoring report because they were determined to be not significant, based on the judgment of the monitoring team. The Department's monitoring could be improved by including notes describing the rationale for not reporting these deficiencies.

Effective contract monitoring requires consideration of potential risk factors and the performance of monitoring procedures to address these risk factors. Effective contract monitoring also requires communication of deficiencies to the appropriate parties. Absent documentation of the monitoring team's risk assessment process and reporting decisions, the Department has reduced assurance that all identified areas of risk are addressed during monitoring and that all significant deficiencies are resolved.

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**Recommendation:** We recommend that the Department’s monitoring staff maintain documentation of the monitoring risk assessment process, as well as documentation explaining the rationale for omitting monitoring findings from the monitoring reports.

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**Information Technology Controls**

The Department uses the Client Information and Registration Tracking System (CIRTS), a Web-based application, to serve as the database for consumer, program, and service information, including confidential information. The Information Technology Unit (IT Unit), organizationally located within the Division of Internal and External Affairs, provides technical support to both Department employees and AAA Information Technology (IT) staff and for CIRTS.

Effective security administration procedures reduce the risk of unauthorized system access by ensuring that:

- Appropriate and timely action is taken to request, approve, assign, and remove user access privileges.
- User access privileges are periodically reviewed.
- Necessary security controls relating to the management of access privileges are in place.

In report No. 2010-008, we noted deficiencies in certain controls over CIRTS. Our follow-up testing disclosed that similar deficiencies continued to exist, as discussed in succeeding findings.

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**Finding No. 6: CIRTS Access**

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The IT Unit is responsible for granting employee access to CIRTS based upon approval by the appropriate supervisor or local area administrator. IT Unit staff remove access upon receipt of a Personnel Action Report (PAR) listing employees who have separated from the Department. The IT Unit may also receive a request to remove access directly from a supervisor or administrator.

Our review of CIRTS access privileges for seven employees who separated from the Department during the period of July 2009 through February 2011 disclosed that CIRTS access was not removed for one employee until after our audit inquiry, 118 days after the employee’s separation date. According to Department staff, the employee was inadvertently omitted from the PAR of separated employees that was provided to the IT Unit. The IT Unit’s procedures also did not include provisions requiring the periodic review of employees’ CIRTS access privileges to verify their continuing appropriateness.

Inadequate review and untimely removal of CIRTS access privileges may increase the risk of unauthorized access to Department data, including confidential consumer information.

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**Recommendation:** To ensure that only authorized users have access to CIRTS, we recommend that the Department establish a process for periodically reviewing user access privileges to ensure that the granted privileges remain appropriate. We also recommend that the Department continue its efforts to timely remove the access privileges of terminating employees.

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**Finding No. 7: Security Controls**


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Security controls are intended to protect the integrity, confidentiality, and availability of data and IT resources. Our audit disclosed certain security controls related to CIRTIS that needed improvement. Specific details of these issues are not disclosed in this report to avoid the possibility of compromising Department data and IT resources. However, the appropriate Department staff have been notified of the specific issues.

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**Recommendation:** We again recommend that the Department improve these security controls to more reasonably ensure the confidentiality, integrity, and availability of data and IT resources.

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### OBJECTIVES, SCOPE, AND METHODOLOGY

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The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit from January 2011 to July 2011 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This operational audit focused on the CDC+ Program, the ARCs' referral process, and included a follow-up on prior audit findings. The overall objectives of the audit were:

- To evaluate the effectiveness of established internal controls in achieving management's control objectives in the categories of compliance with controlling laws, administrative rules, and other guidelines; the economic, efficient, and effective operation of State government; the relevance and reliability of records and reports; and the safeguarding of assets.
- To evaluate management's performance in achieving compliance with controlling laws, administrative rules, and other guidelines; the economic, efficient, and effective operation of State government; the relevance and reliability of records and reports; and the safeguarding of assets.
- To determine whether management had corrected, or was in the process of correcting, all applicable deficiencies disclosed in report No. 2010-008.
- To identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

In conducting our audit we:

- Performed an analysis of consumer account balances and expenditure data for the period July 2009 through February 2011 from the CDC+ Fiscal Employer Agent System.
- Performed an analysis of data for the period July 2009 through February 2011 from the CDC+ Fiscal Employer Agent System and the Florida Medicaid Management Information System to determine whether consumer's expenditures were consistent with their budgeted amounts.
- Examined eligibility documentation for 26 consumers who enrolled in the CDC+ Program during the period July 2009 through February 2011, to determine compliance with governing laws, rules, and Department policy.

- Examined consumer documentation for 26 consumers, selected randomly from approximately 309 consumers who participated in the CDC+ Program during the period July 2009 through February 2011, to determine whether the consumer’s care plans were based on a needs assessment, the consumers’ budgeted amounts were specified in the care plan, expenditures made by the consumer were properly substantiated, providers used by the consumer had been subjected to a background screening, and whether the consumer’s case workers had maintained the required contact with the consumer.
- Examined support for 20 savings account purchases made during the period July 2009 through February 2011 to determine whether the transactions were appropriately supported and approved by the Department.
- Performed an analysis of data from CIRTS to determine whether referrals and responses made during the period January 2009 through February 2011 were performed within statutory timeframes.
- Examined CIRTS data for the period January 2009 through February 2011 for 25 consumers to determine whether the consumer was enrolled through the ARC prior to receiving services and that responses were within statutory timeframes.
- Reviewed a sample of required reports submitted during the period July 2009 through February 2011 from five ARCs and judgmentally selected one monthly consumer tracking report, two Annual Program Improvement Plans, and an interim and final progress report from the 11 AAAs, to determine if the plans were timely and complete, as required by rule, contract, and Department policy.
- Reviewed monitoring tools and reports completed between June 2010 and October 2010 for the periods January 2009 through December 2009 relating to four ARCs to determine whether the monitoring tools provided a complete and effective method to monitor and assess performance and were utilized in creating the Annual Program Improvement Plan and in determining risk for the subsequent monitoring year.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Communicated on an interim basis with applicable Department officials to ensure the timely resolution of issues involving controls and noncompliance.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe those matters requiring corrective actions.

**AUTHORITY**

Section 11.45, Florida Statutes, requires that the Auditor General conduct an operational audit of each State agency on a periodic basis. Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.



David W. Martin, CPA  
Auditor General

**MANAGEMENT’S RESPONSE**

In a response letter dated March 9, 2012, the Secretary of the Department provided responses to our audit findings and recommendations. The Department’s response is included as **EXHIBIT B**.

**EXHIBIT A**  
**EXAMPLES OF CALL TYPE (REASON FOR CALL) CLASSIFICATION VARIATIONS AMONG FIVE ARCS**

ARC	Medicare Calls	Number of Calls
Northwest Florida	Medicare Information/Counseling	117
	Medicare Advantage Plan Enrollment	19
	Medicare Insurance Supplements	10
	Medicare Enrollment	4
	Medicare Prescription Drug Plan Enrollment	1
Mid-Florida	Medicare	316
Northeast Florida	Medicare A or B	82
	Medicare Part C	19
Central Florida	Medicare Information/Counseling	449
Alliance for Aging	Medicare Information/Counseling	9
	Medicare Insurance Supplements	9
	Medicare Appeals/Complaints	2
	Medicare Enrollment	1
<b>Total</b>		<b><u>1,038</u></b>

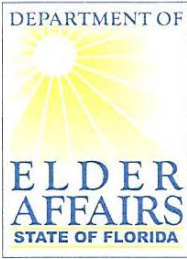
ARC	Utility Assistance Calls	Number of Calls
Northwest Florida	EHEAP Assistance	639
	Utility Assistance (power, gas & water)	301
	Utility Discount	145
	Electric Service Payment Assistance	85
	Utility Discounts (Cox & ECUA)	56
	Electric Bill	1
	Utility Discounts	1
Mid-Florida	Utility Bill Assistance	177
	Utility Complaints	2
Northeast Florida	Utilities	1,579
Central Florida	Electric Service Payment Assistance	1,075
Alliance for Aging	Electric Service Payment Assistance	78
	Utility Assistance	3
	Discounted Utility Services	1
	Financial Assistance, Utilities	1
<b>Total</b>		<b><u>4,141</u></b>

ARC	Adult Day Health Care Calls	Number of Calls
Northwest Florida	Adult Day Health Care	8
	Adult Day Program Centers	4
	Adult Day Care	1
	Adult Daycare	1
Mid-Florida	Adult Day Care	17
Northeast Florida	Respite-Adult Day Care	140
	Adult Day Care	1
Central Florida	Adult Respite Care	99
Alliance for Aging	Adult Day Program Centers	51
	Adult Day Health Programs	12
<b>Total</b>		<b><u>334</u></b>

ARC	Medicaid Calls	Number of Calls
Northwest Florida	Medicaid Screening	77
Mid-Florida	Medicaid	483
Northeast Florida	Medicaid	73
	Screening for Medicaid and Medicaid Counseling	2
	Also want Medicaid Screening	1
	Medicaid Application and Medicaid Counseling	1
	Medicaid Application, Medicaid Screening, Medicaid Counseling, Wait List Update	1
	Medicaid Application	1
	Medicaid Counseling and Screening for Medicaid	1
	Medicaid Screening and Medicaid Counseling.	1
	Medicaid Screening, Medicaid Counseling And Medicaid Application	1
	Medicaid Waiver	1
	Medicaid Waiver and Medicaid Application, Wait List Update	1
	Medicaid Waiver, and Wait List Update	1
	Nursing Home Diversion/alf Medicaid Waiver	1
	Outreach Request, Medicaid App. Medicaid Waiver, Medicaid Counseling, Screening for Medicaid	1
Screening for Medicaid-alf.	1	
Central Florida	NO MEDICAID CATEGORY	
Alliance for Aging	Medicaid Applications	74
	Medicaid Appeals/Complaints	9
	Medicaid	4
	State Medicaid Waiver Programs	1
<b>Total</b>		<b><u>736</u></b>

Source: Reports generated from ReferNET.

EXHIBIT B  
MANAGEMENT'S RESPONSE



RICK SCOTT  
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March 9, 2012

Mr. David W. Martin, CPA  
Auditor General  
G74 Claude Pepper Building  
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Tallahassee, Florida 32399-1450

Dear Mr. Martin:

Pursuant to section 11.45(4)(d), Florida Statutes, the Department is submitting its response to the preliminary and tentative findings and recommendations regarding the Operational Audit of the Department of Elder Affairs for the period July 1, 2009, through February 28, 2011.

Your operational audit resulted in seven findings in three categories: the CDC+ Program; Aging Resource Centers; and Information Technology Controls. Below is our response to those findings with planned corrective action.

**Finding No. 1: CDC+ Provider Screenings**

**Recommendation:** *We recommend that the Department review CDC+ Program consumer's provider files to ensure that all providers have been subjected to a current background screening that is free of disqualifying offenses. In addition, Department management should more closely monitor staff compliance with Department procedure.*

**Planned Corrective Action:**

The Department will implement the following procedure to address the Auditor General's recommendation. The CDC+ Program Office will ensure, through an internal corrective action plan, that all active CDC+ participants' workers/representatives are appropriately Level 2 background screened and that appropriate management oversight and technical assistance to consultants and consumers is in place.

**Finding No. 2: CDC+ Expenditures**

**Recommendation:** *We recommend that the Department continue attempts to substantiate the appropriateness of the undocumented payments and proceed with recoupment for the payments made after consumers left the Program. In addition, the Department should remind consultants that invoices and receipts must be retained in accordance with the CDC+ Guidelines.*

**Planned Corrective Action:**

We concur with the Auditor General's recommendation. Discovery of these problems during the performance of the audit prompted management to review current internal processes and external training materials, and to implement a detailed corrective action plan to overcome this finding.

**EXHIBIT B**  
**MANAGEMENT'S RESPONSE (CONTINUED)**

Mr. David W. Martin, CPA  
March 9, 2012  
Page 2

**Finding No. 3: ARC Consumer Call Tracking**

**Recommendation:** *We recommend that the Department implement standardized call type (reason for call) classifications for ARCs to use when recording consumer calls in ReferNET. In addition, the Department should direct ARC staff to use the standard call type classifications and ensure that the call type classification is not left blank. Once the validity and consistency of ReferNET data is corrected, the Department should periodically analyze the ReferNET data as part of its monitoring process to verify whether the ARCs are meeting the statutory goals regarding information, response, and referral of the Department's consumers.*

**Statement of Explanation:** This finding identified the lack of uniform and complete ReferNET records. The ReferNET system was purchased by each of the 11 Area Agencies on Aging (AAAs) with 2006-07 General Revenue funding provided by the Florida Legislature for AAA transition to Aging Resource Centers (ARCs), as required by s. 430.2053, Florida Statutes. ReferNet is an internet-accessible Information & Referral (I&R) software application that enables each ARC to record confidential call/contact information such as basic demographic data, referrals, and call notes. Following the purchase of ReferNET, the AAAs established a workgroup, in which all AAAs participate by conference call, with the goal of configuring the system for statewide uniformity. The Department is not an authorized party to the ReferNET system, nor is it routinely invited to participate in the ReferNET workgroup conference calls.

Regarding the finding that 43 percent of all calls recorded in ReferNET from January 1, 2009, through February 28, 2011, did not have a call type recorded, further clarification is warranted. "Call type," as used in the Preliminary and Tentative (P&T) Report, is more accurately identified as the "reason for the call." "Call type," also known as "transaction" or "contact" type, is a set of categories defined in the *Standards for Professional Information and Referral* published by the Alliance of Information and Referral Systems (AIRS), the national accrediting body for information and referral services. As adopted for ReferNET in Florida, all ARCs use the following categories at a minimum: information, referral, advocacy and crisis. The ReferNET system requires I&R staff to select one of these types when recording call information.

Not all calls recorded in ReferNET require a "reason for the call" if a resource is not given to the caller. In addition, some calls recorded in ReferNET are not related to a request for assistance; there are calls made by I&R staff to update a record, to perform follow-up or to transfer a call to other ARC staff. These ReferNET records would not have a "reason for the call" associated with them.

In terms of the inconsistency in identifying the "reason for the call," as indicated in the P&T Report Exhibit A, the basis for categorizing resources in ReferNET is the AIRS-approved Taxonomy system, which is a hierarchical classification of more than 9,000 terms covering the range of human services. As each ARC began to use ReferNET, its independent, stand-alone resource listing was incorporated into the statewide database, and not all of these resources were originally categorized by Taxonomy. Through the work of the ReferNET workgroup, progress is slowly being made to standardize how resources are classified.

**Planned Corrective Action:** The Department of Elder Affairs concurs with the finding. The Department has established a workgroup with ARC representation to address the issues identified by the Auditor General's staff.

**Finding No. 4: Consumer Enrollment**

**Recommendation:** *We recommend that the Department ensure that all consumers are enrolled through the ARCs in accordance with the law. We also recommend that the Department continue to remind ARCs of the contractual timeframes for consumer referral follow-up.*

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**MANAGEMENT'S RESPONSE (CONTINUED)**

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**Statement of Explanation:** This finding identifies the practice of allowing ARCs to outsource, under certain conditions, the performance of ARC functions as outlined in ARC rule (Chapter 58B-1, Florida Administrative Code), adopted in April 2007. According to the rule, the ARC is authorized to enter into an agreement with an "Access Point" to perform one or more ARC functions. The ARC is required to monitor the access point in the areas identified in 58B-1.005(1) (a) of the rule, which include functional screening and enrollment procedures.

Simultaneous with the ARC rule adoption, the Department issued a Notice of Instruction (NOI) to provide direction and format to the AAAs for developing their ARC transition plans. Each ARC was required to indicate if it intended to contract with an outside entity to perform some or all ARC functions. Included with that requirement was the instruction to describe each function to be outsourced; identify the entity proposed to perform the function, including the entity's qualifications and work performance; justify outsourcing the function based on measurable factors that address how individuals will be better served; and analyze the potential for conflict of interest and inappropriate self-referrals by entities performing outsourced functions.

The Department's careful review of the ARC transition plans and subsequent approval resulted in a limited agreement to allow other entities to perform a select group of ARC functions. In its evaluation of an AAA's progress toward functioning as an ARC, the Department included a benchmark requiring the AAA to document its actions to prevent conflicts of interest and inappropriate self-referrals by entities that are performing outsourced ARC functions. In addition, part of the Department's routine annual monitoring of the ARCs tests the requirement for ARCs to monitor access points to ensure against conflict of interest and inappropriate self-referrals.

In an oversight capacity, the Office of Program Policy Analysis and Government Accountability (OPPAGA) was assigned by the Legislature to monitor the Department's implementation of s. 430.2053, F.S. Over a four-and-a-half-year period of time, OPPAGA reported semi-annually to the Legislature on the Department's activities related to the ARC transition process. In several reports, OPPAGA clearly identified the Department's intention to allow for outsourcing of some ARC functions, initially reporting on the need for outsourcing guidelines and later on, the provision of this guidance to the ARCs.

As required by statute, the ARC is a partnership. Section 430.2053(3), F.S., requires the integration of staff from the Department's CARES (Comprehensive Assessment and Review for Long-Term Care Services) Unit and the Department of Children and Family Services' ACCESS (Automated Community Connection to Economic Self-Sufficiency) Unit. The law further specifically states the roles of the Community Care for the Elderly lead agencies in the ARC's service area and makes repeated reference to subcontractors and service providers. All elements within Florida's Aging Network are partners in the operation of the ARCs.

As the Auditor General's P&T Report indicates, "ARCs are to provide ... streamlined access to public and private long-term care services." To streamline access for an individual seeking to participate in a meal at a congregate site or take advantage of a non-registered service such as transportation or recreation, the ARC's outsourcing the screening for receipt of one of these services does result in streamlined access. Rather than referring the individual to the ARC for completion of a screening, the provider of the service can perform that function, swiftly enroll the individual, and later have its performance monitored for compliance under the terms of its funding agreement as an ARC access point. The ARC rule clearly identifies the sanctions possible for failure to perform in accordance with the access point agreement.

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Further, in accordance with requirements of the Older Americans Act (OAA), access to OAA services is based on targeting criteria, not the priority rank that is determined by the screening. These criteria require providers to target older individuals who are low-income, minority, have limited English proficiency and/or reside in rural areas. In support of the OAA requirement for targeting, Department policy does not require applicants for OAA services to be prioritized before enrollment in services. Therefore, service providers have been authorized to develop and implement policies and procedures consistent with OAA targeting and screening criteria.

The primary guidance for ARC operations is contained in the Aging Resource Center contract. Although the Department of Elder Affairs Programs and Services Handbook is one of the contract attachments listed in the Aging Resource Center contract, Chapter 2, Section III A and Section III B of the Handbook have not been adequately updated to reflect the reduced role of case management agencies in receiving and handling referrals. Additionally, the Handbook does not adequately address the role of the ARC in receiving and handling referrals. The three-day and 14-day time frames from Chapter 2 (Intake, Prioritization and Case Management) of the Programs and Services Handbook, as referenced in the P&T Report, apply to access points and case management providers, not the ARC. Further the reference in the ARC contract to a 14-day follow-up requirement applies to the provision of Referral/Assistance services, not screening.

With the implementation of the ARC initiative, functions that were performed by thousands of staff at hundreds of agencies statewide were re-directed to the limited ARC staffing supported by the annual legislative appropriation, currently at \$3.185 million. Allowing ARCs to outsource intake and screening to qualified entities within the aging network has ensured efficient streamlined access to the ARC. Without the ability to outsource these functions the entire screening workload would be centralized at the ARC. This would effectively double the number of screenings performed by ARC staff, creating a workload that would be unmanageable within available resources.

**Planned Corrective Action:** The Department of Elder Affairs agrees that the Auditor General's staff has accurately reflected the statutory provisions. The Department will update the Programs and Services Handbook to clearly reflect the role of the ARC in receiving and handling referrals. The Department will evaluate the outsourcing of intake and screening for OAA services with our legal office. If determined necessary, the Department will seek legislative change to the statute that allows for effective streamlining of access to services.

***Finding No. 5: ARC Monitoring***

***Recommendation:*** We recommend that the Department's monitoring staff maintain documentation of the monitoring risk assessment process, as well as documentation explaining the rationale for omitting monitoring findings from the monitoring reports.

**Statement of Explanation:** This finding identified the lack of notes or minutes for the risk assessment meetings and noted that some deficiencies indicated on monitoring instruments and tools were not included in the monitoring report.

The risk assessment occurs during pre-deployment meetings that are held approximately five weeks prior to each site visit to the 11 Area Agencies on Aging (AAAs). Program managers, contract managers, monitoring and quality assurance (MQA) staff and a representative from accounting are invited to attend the pre-deployment meetings. A pre-deployment questionnaire is sent with the invitation for staff to fill out and return to the MQA unit in the event that staff members aware of a risk issue but will not be able to attend the meeting. Copies of the prior year monitoring findings, completed pre-deployment questionnaires (if applicable), and a summary of the review of the AAAs' most recent single audit are distributed at the meeting and each attendee

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is polled to present any changes, problems, challenges or other risk factors they may be aware of at the AAA being visited. MQA staff receives their review assignments prior to the meeting and each member of the unit is responsible for making notes pertaining to their particular assigned area(s) of review. MQA staff members consult the unit supervisor and appropriate program or contract management staff after the meeting if further clarification is needed to understand issues that have been identified for a focused review. Contract managers accompany MQA staff on site visits to provide technical assistance to the AAAs. Deficiencies detected as a result of focused reviews are documented in the monitoring tools and instruments, when appropriate, or referred to contract management staff for further clarification or technical assistance. Upon completion of the site visits, the monitoring reports are drafted and routed to the MQA supervisor and contract management staff as part of the vetting process, ensuring that deficiencies discovered as a result of identified risks are incorporated into the report or addressed with technical assistance as appropriate.

Significant deficiencies that automatically result in findings versus minor deficiencies that have the potential to become findings are determined through collaboration between contract and program management staff and MQA staff. There is not a definitive list of minor deficiencies since the determination of significance is sometimes based upon increased volume, frequency or severity of the occurrence of non-compliance. Policy changes are communicated to the AAAs through direct guidance to the Association of Area Agencies on Aging (F4A), NOIs, and through an annual Monitoring and Quality Assurance Summit held by the Department. All AAAs are invited to the summit and are encouraged to invite their providers and lead agencies to attend.

Significant deficiencies are reported as findings in the monitoring report. Minor deficiencies are reported in the suggestions for improvement section of the report. The reports are drafted and routed to contract management staff as part of the vetting process. The monitoring report format was modified in 2011 to identify which suggestions for improvement were actually minor non-compliance issues with the potential to become findings if not corrected, as opposed to best practice suggestions. In June 2011, the Department issued a NOI providing clarification to the AAAs and instructing them to respond to the minor non-compliance issues with their corrective action plans. Of the deficiencies that were not reported as findings in the instruments reviewed by the Auditor General's office, all but one, were reported as suggestions for improvement.

**Planned Corrective Action:** The MQA supervisor will summarize the risk factors identified during each pre-deployment meeting and email identified risks to the group, requesting confirmation, at the conclusion of the meetings. A hard copy of the email and any responses by the group will be placed in the monitoring book. The Bureau Chief will be copied on the email to the administrative assistant who prints the documents that are included in the book.

Additionally, the MQA reviewers will forward their completed instruments for their review areas to the MQA supervisor. For any items noted as non-compliant on the instruments, the MQA reviewers will include their recommendations for whether the items are findings or minor non-compliance deficiencies, with explanations for their determinations. The MQA supervisor will meet with the Bureau Chief and appropriate staff to discuss recommendations and explanations of determinations. The final draft report will then be vetted through the management staff for final approval.

***Finding No. 6: CIRT Access***

***Recommendation:*** *To ensure that only authorized users have access to CIRT, we recommend that the Department establish a process for periodically reviewing user access privileges to ensure that the granted privileges remain appropriate. We also recommend that the Department continue its efforts to timely remove the access privileges of terminating employees.*

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**Statement of Explanation:** The Department concurs with the recommendation and has investigated the gaps in the current procedure to grant and terminate access to information resources based on the Personnel Action Report (PAR). The PAR is generated manually and distributed weekly. The manual process leads to occasional omissions which was the cause of the one case in which access was not removed for a departing employee. The case identified by the audit team did not result in unauthorized access to DOEA information resources. The weekly distribution of the PAR report may affect DOEA ability to quickly be informed of personnel changes.

**Planned Corrective Action:**

The Department is developing an employee tracking data base application with a direct linkage to the People First system, which is the official repository of personnel actions. In this system, the PAR can be generated on demand and the risk of omission of personnel actions is removed. This system is being developed to include other employee related information such as tracking training, training requirements, and performance evaluations.

***Finding No. 7: Security Controls***

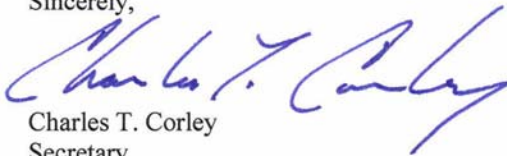
***Recommendation:** We again recommend that the Department improve these security controls to more reasonably ensure the confidentiality, integrity, and availability of data and IT resources.*

**Statement of Explanation:** The Department concurs with this recommendation and will continue to improve the security controls for its information systems for both agency staff and remote users.

**Planned Corrective Action:** The Department is migrating to upgraded technologies which are anticipated to address the concerns identified by the audit team.

In closing, we appreciate the professionalism displayed by your audit staff. Please let us know if we can provide any additional information.

Sincerely,



Charles T. Corley  
Secretary

CC: Richard Prudom, Deputy Secretary and Chief of Staff  
Marcy Hajdukiewicz, Director Statewide Community-Based Services  
Mary Hodges, Bureau Chief Community and Support Services  
Carol Carr, Director of Internal External Affairs  
John Wurtele, Acting Chief Information Officer  
Stanley Behmke, Inspector General



