



OFFICE OF THE STATE AUDITOR



DIANNE E. RAY, CPA
—
STATE AUDITOR

February 4, 2016

Consumer-Directed Attendant Support Services Status Report

Members of the Legislative Audit Committee:

Based on our review of the status report we received from the Department of Health Care Policy and Financing (Department) for our performance audit of the Consumer Directed Support Services (CDASS) Program we would like to bring the following matters to your attention:

Pay rate analysis. In Recommendation 2D we recommended that the Department ensure that funding allocations for clients are based on their need for services by “reviewing the pay rates that are used to estimate client allocation amounts and adjusting the rates to ensure that they reflect clients’ actual average cost to hire attendants and do not provide clients with allocation amounts in excess of their identified needs for services.” The recommendation was intended to address discrepancies we identified between the standard rates use to calculate clients’ funding allocations and the actual rates clients paid attendants. Specifically, at the time of the audit we found that the Department allocated clients \$28 per hour for health maintenance care, which is one of three care categories used for CDASS. The Department set this rate by discounting the market cost to procure the same services through an in-home care agency by 10.75 percent and had not used data on actual pay rates set by clients to determine the rate that clients need to be able to purchase care. Our review of client data found that on average clients paid attendants \$16.68 per hour for this type of care, which is 41

OFFICE OF THE STATE AUDITOR
1525 SHERMAN STREET
7TH FLOOR
DENVER, COLORADO
80203

303.869.2800

percent less than the amount the Department allocated and suggests that the Department's standard rate is in excess of client needs.

The Department agreed with our recommendation. In its original response the Department also noted the need to consider other factors that may contribute to the discrepancies in client allocation amounts, including the need for consistent training for clients on managing budgets. In its status report the Department reported that it had "Partially Implemented" the recommendation and that it had been working to provide training on setting pay rates. However, the Department did not indicate in its response that it has taken any steps to review clients' actual pay rates when setting its standard allocation rate or whether it may do so in the future. We would not consider this recommendation implemented until this review occurs and the Department makes any needed adjustments to the pay rates based on its review.

Program Analysis. In Recommendation 4 we recommended that the Department conduct a comprehensive analysis of the program, including the benefits, health outcomes achieved, and costs compared to other service delivery options, and pursue program changes, including implementing controls over Program costs as indicated by the analysis. The recommendation was intended to address our audit finding that the CDASS program may be significantly more expensive than other service delivery options and that the Department lacked adequate data on program outcomes and the reasons for cost differences to evaluate the Program's cost-effectiveness. The Department partially agreed to this recommendation, stating that it did not have the resources to conduct the analysis, but that "if funded the Department will use the results of this analysis to identify appropriate changes to the program." In its status report, the Department reported that this recommendation has not been implemented, stating "Given the state's restrictive budgetary environment, the Department was unable to request funding to perform the recommended analysis." Although the Department reported that it would perform the evaluation if the General Assembly appropriates funding, it does not indicate whether the Department will request funding for the analysis in the future and has not revised the

original implementation date of July 2016. Therefore, it is unclear if the Department intends to take action to implement this recommendation.



COLORADO

Department of Health Care
Policy & Financing

Department of Health Care Policy and Financing
1570 Grant Street
Denver, CO 80203

January 20, 2016

Dianne E. Ray, CPA
State Auditor
Colorado Office of the State Auditor
1525 Sherman Street, 7th Floor
Denver, CO 80203-2211

Dear Auditor Ray,

In response to your request, we have prepared an updated status report regarding the implementation of audit recommendations contained in the Consumer-Directed Attendant Support Services Performance Audit. The attached report provides a brief explanation of the actions taken by the Department of Health Care Policy and Financing to implement each recommendation.

If you have any questions, please do not hesitate to contact Delora Hughes-Wise, External Audits Compliance Officer at (303) 866-4155 or by email at delora.hughes-wise@state.co.us.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Susan Birch', is written over a light blue circular stamp.

Susan Birch
Executive Director
Colorado Department of Health Care Policy and Financing

Enclosure

Our mission is to improve health care access and outcomes for the people we serve while demonstrating sound stewardship of financial resources.
www.colorado.gov/hcpf



AUDIT RECOMMENDATION STATUS REPORT

AUDIT NAME: Consumer-Directed Attendant Support Services

AUDIT NUMBER: 1413P

DEPARTMENT: Health Care Policy and Financing

DATE OF STATUS REPORT: February 2, 2016

SUMMARY INFORMATION

Rec. Number	Agency's Response	Original Implementation Date	Implementation Status	Revised Implementation Date (If applicable)
1a	Agree	January 2016	Implemented and Ongoing	
1b	Agree	August 2015	Implemented and Ongoing	
1c	Agree	December 2015	Implemented and Ongoing	
2a	Agree	September 2015	Implemented and Ongoing	
2b	Agree	January 2016	Implemented and Ongoing	
2c	Agree	May 2016	Implemented and Ongoing	
2d	Agree	July 2016	Partially Implemented	
3a	Agree	January 2016	Implemented and Ongoing	
3b	Agree	December 2015	Implemented and Ongoing	
3c	Agree	October 2015	Implemented and Ongoing	
4	Partially Agree	July 2016	Not Implemented	

DETAIL OF IMPLEMENTATION STATUS

Note: The Department agreed or partially agreed with all of the audit recommendations.

Recommendation No. 1:

The Department of Health Care Policy and Financing (the Department) should improve its oversight of the Consumer-Directed Attendant Support Services Program (Program) enrollment process by:

- A. Working with its financial management services (FMS) providers to implement enrollment system prompts requiring case managers to verify that all enrollment requirements and forms are completed prior to clients beginning the Program.

Current Implementation Status for Rec. 1, part a: Implemented and Ongoing.

Agency's Update:

September 1, 2015, case managers were provided a newly created case management tool titled "Case Manager Client Direction Checklist." This tool provides the case manager with the actions required of the client/authorized representative and the case manager prior to enrollment into the Program. January 2016, each Financial Management Service (FMS) vendor completed an update to their web based portals to add enrollment system prompts. The case manager is required to address the enrollment prompts before a prior authorization request for services can be completed.

- B. Working with single entry point agencies and its new training vendor to ensure that case managers receive adequate training and guidance on the Program.

Current Implementation Status for Rec. 1, part b: Implemented and Ongoing.

Agency's Update:

The Department executed a contract with Consumer Direct Colorado (CDCO) effective January 1, 2015 to perform case management trainings regarding Consumer Direction, including the Program. CDCO completes case management trainings twice per quarter as required by contract. Case managers are provided training on the Program processes and procedures. CDCO maintains a reference library on their website. Since the audit occurred in June 2015, CDCO has added increased information for case managers which includes instructional videos and forms to be completed by the client, authorized representative, or case manager. CDCO maintains a customer service line to answer case manager questions and provide guidance regarding the Program policies and procedures.

- C. Implementing adequate contract monitoring procedures to ensure that the FMS providers follow all contractual requirements including conducting background and nursing license checks on all attendants.

Current Implementation Status for Rec. 1, part c: Implemented and Ongoing.

Agency's Update:

Financial Management Service (FMS) vendors are required to submit quarterly reports to the FMS contract specialist at the Department within 45 days after the end of each quarter. The FMS contract specialist completes an annual review regarding the FMS vendor performance. This review includes but is not limited to: satisfaction survey results, submitted FMS reports, and adherence to contractual responsibilities, including conducting required background and license checks. The FMS annual reviews were completed on January 27, 2016 which included all items stated in this response.

Recommendation No. 2:

The Department of Health Care Policy and Financing should ensure that the funding allocations for clients in the Consumer-Directed Attendant Support Services (CDASS) Program are based on clients' actual documented need for services by:

- A. Developing guidelines and training for case managers on how to accurately identify and document client needs as a basis for clients' funding allocations.

Current Implementation Status for Rec. 2, part a: Implemented and Ongoing

Agency's Update:

The Department executed a contract with Consumer Direct Colorado (CDCO) effective January 1, 2015 to perform case management trainings for the Program. Since the audit occurred in June 2015, CDCO has been training case managers on aligning the Uniform Long Term Care Assessment and service plan on the Benefits Utilization System to then flow and match to the Program task worksheet and the Attendant Support Management Plan (ASMP). A video explaining this workflow was added to the CDCO website as a resource for case managers. Case managers receive guidelines and training on the how to complete an assessment and authorize appropriate services based on a client's needs. CDCO is training case managers on how to accurately complete the Program task worksheet. Attendant assistance needed by a client must be reflected on the Program task worksheet.

- B. Modifying and aligning the forms used during the care planning process. This could include standardizing the types of services listed on the care management plan and task worksheet, and requiring case managers and clients to include projected hours for each service on the care management plan.

Current Implementation Status for Rec. 2, part b: Implemented and Ongoing.

Agency's Update:

The care management plan or ASMP has been modified to address projected task hours and mirror the service options available on the Program task worksheet. The modified ASMP created an increased ease of use for the client/authorized representative. The National Resource Center for Participant Directed Services (NRCPDS) reviewed the presently utilized ASMP and provided recommendations to the Department on January 5, 2016. NRCPDS is the leading authority on best practices in consumer direction. The ASMP was reviewed with Participant Directed Programs Policy Collaborative stakeholders for additional recommendations. The final product was distributed to stakeholders and posted on the Department's website and the Consumer Direct Colorado Website.

C. Requiring case managers to use the standard forms developed in PART B.

Current Implementation Status for Rec. 2, part c: Implemented and Ongoing

Agency's Update:

Consumer Direct Colorado (CDCO) is training case managers on the required forms for the Program and how to complete these forms accurately. CDCO conducts case manager trainings twice per quarter to keep case managers informed on the correct Program forms as well as how to complete them. CDCO offers training via phone, online, and in-person. Two instructional videos on how to review and complete Program forms are available on the CDCO website. All training materials and program forms are available on the CDCO website.

D. Reviewing the pay rates used to estimate client allocation amounts and adjusting the rates to ensure that they reflect clients' actual average cost to hire attendants and do not provide clients with allocation amounts in excess of their identified need for services.

Current Implementation Status for Rec. 2, part d: Partially Implemented.

Agency's Update:

The Department performs continual analysis regarding Consumer Direction. The Department initial response to the audit recommendation stated the Department feels addressing the audit recommendation by adjusting reimbursement rates alone would be problematic. Consistent training on managing budgets is an important implementation step for this audit recommendation. The Department is working with Consumer Direct Colorado to modify the Program training for clients and authorized representatives to provide education and skills training on setting pay rates for Program attendants. The Program designates the client or authorized representative with budget authority to hire and negotiate wages with Program attendants. Developing supervisory and salary negotiation skills is a critical component of consumer direction. Pay rates for a Program attendant can vary based on factors such as the Attendant's work experience, shift schedule, performance and client location.

Recommendation No. 3:

The Department of Health Care Policy and Financing (Department) should strengthen its controls related to clients' use of attendant hours and spending by:

A. Establishing processes requiring case managers to provide clients with additional training and support when actual attendant hours vary from the hours planned by a specified amount or when clients do not have employment contracts with the required number of attendants. This could include requiring the Financial Management Services Provider to notify clients' case

managers when either of these situations occur or other controls to ensure that case managers review clients' use of attendant hours.

Current Implementation Status for Rec. 3, part a: Implemented and Ongoing.

Agency's Update:

In reviewing this recommendation with the Department's Legal Council and the National Resource Center for Participant Directed Services, it has been determined that the Department's original response to this audit recommendation is not the most suitable course of action.

Amended Implementation:

1) The FMS vendors are providing a quarterly report informing the case manager of the hours authorized vs hours utilized. During the next scheduled quarterly contact completed by the case manager with the client, the case manager will review with the client the allocation hours utilized and ask if service needs are being met. The case manager will document whether the client health, safety, and welfare needs are being met. Additional support and training through Consumer Direct Colorado (CDCO) will be offered to the client. The client will access CDCO if desired.

2) The case manager will ensure Uniform Long Term Care Assessment, service plan, task worksheet, and the ASMP match and reflect client needs.

3) The Department worked with the Participant-Directed Programs Policy Collaborative to develop the "CDASS Two Attendant Requirement Protocol for FMS Vendors & Case Management Agencies Effective 1.1.2016." This protocol outlines the required action steps when a client has an employment relationship with less than two attendants. Program regulations have been changed to clearly identify the requirement to maintain employment with a minimum of two attendants. CDCO will review the protocol for maintaining two attendant's at all case management and client trainings.

B. Developing clear guidance and training for case managers on implementing the Department's overspending protocol.

Current Implementation Status for Rec. 3, part b: Implemented and Ongoing.

Agency's Update:

CDCO is performing case management training twice per quarter as required by contract regarding the "CDASS Service Utilization Review and Allocation Management Protocol." During the training, the case manager is presented with the protocol, provided instructions and given an opportunity to ask questions. The protocol is available on the CDCO website under case management forms. Template letters are also provided through the website for case managers to

access and utilize to send to their clients regarding Program over utilization. To review protocol actions are being followed, the Department is reviewing over utilization reports monthly and working with each Single Entry Point to identify steps of the protocol followed.

C. Developing clear guidance and training for case managers on conducting and documenting each element of required client contacts.

Current Implementation Status for Rec. 3, part c: Implemented and Ongoing

Agency's Update:

The Department executed a contract with CDCO effective January 1, 2015 to perform case management trainings for the Program. In June 2015, the Department provided clear examples of case management documentation to CDCO and this has been added to the case manager training materials. Case managers are being provided training on how to complete all elements of the required CDASS contact. Documentation completed by case managers is reviewed by the Department through an annual audit process.

Recommendation No. 4:

The Department of Health Care Policy and Financing (Department) should conduct a comprehensive analysis of the Consumer-Directed Attendant Support Services Program (Program), including the benefits, health outcomes achieved, and costs compared to other service delivery options. The Department should use the results to identify and implement controls over Program costs, in addition to those identified in Findings Nos. 1 through 3. The Department should also report the results to policymakers, and if necessary, work with the General Assembly and the federal Centers for Medicare and Medicaid Services as appropriate on changes to the Program based on the evaluation.

The Department partially agreed with this recommendation.

Current Implementation Status for Rec. 4: Not Implemented

Agency's Update:

As stated in the Department's prior response, and as recognized in the Auditor's Addendum of the Department's response, the Department cannot complete such an analysis within existing resources. Given the state's restrictive budgetary environment, the Department was unable to request FY 2016-17 funding to perform the recommended analysis. If the General Assembly appropriates funding in FY 2016-17 (or a future year) for the purpose of evaluating the program consistent with this audit recommendation, the Department would perform the recommended evaluation at that time.