Department of Health and Human Services
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Connecticut Could Better Ensure That the Department of Developmental Services and Providers Fully Comply With Federal Waiver and State Health and Safety Requirements for Individualized Home Support Services

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Why OIG Did This Audit

- OIG conducts health and safety audits of supported living services, adult day care, foster care homes, and regulated child care facilities.
- Previous audits identified multiple health and safety issues that put children and people with special health care needs at risk.
- This audit examined whether the Connecticut Department of Social Services (State agency) ensured the Connecticut Department of Developmental Services (DDS) and providers complied with Federal and State health and safety requirements to ensure the health and safety of Medicaid enrollees with intellectual and developmental disabilities receiving individualized home support services.

What OIG Found

Connecticut did not ensure that the provider certification process was followed properly (32 instances for the 81 providers we reviewed), individual plans were reviewed at least annually (6 instances in the 124 individual plans we reviewed), and critical incidents were properly reported and recorded (70 instances).

For the 5 site visits we performed, providers did not complete, as required, criminal background checks (23 instances) and abuse and neglect registry checks (29 instances). In addition, they did not ensure that mandatory training was completed within required timeframes (106 instances).

What OIG Recommends

We made four recommendations, including that the State agency work with DDS to: (1) develop and implement written policies and procedures for the provider certification process; (2) ensure that individual plans are reviewed timely; (3) fully implement its critical incident reporting and monitoring system and take appropriate follow-up action; and (4) ensure providers improve internal controls for criminal background checks, abuse and neglect registry checks, maintenance of records, and training. The full recommendations are in the report.

The State agency concurred with all four recommendations.

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INTRODUCTION

WHY WE DID THIS AUDIT

State agencies operate home and community-based services (HCBS) waiver programs, including programs that provide services to individuals with developmental disabilities, under a 1915(c) waiver to their respective Medicaid State plans. To receive approval for a waiver, State agencies must ensure the health and welfare of the recipients they serve. Prior Office of Inspector General (OIG) audits found that States could improve their oversight of HCBS providers to protect vulnerable enrollees in their care.[1] Based on the results of the prior audits, OIG is conducting a series of health and safety audits examining supported living services provided to individuals with developmental disabilities.

OBJECTIVE

Our objective was to determine whether the Connecticut Department of Social Services (State agency) ensured the Connecticut Department of Developmental Services (DDS) and providers of individualized home support (IHS) services complied with Federal and State health and safety requirements intended to protect people enrolled in Medicaid with intellectual and developmental disabilities.

BACKGROUND

The Medicaid Program

The Medicaid program provides medical assistance to low-income individuals and individuals with disabilities. The Federal and State Governments jointly fund and administer the Medicaid program. At the Federal level, the Centers for Medicare & Medicaid Services (CMS) administers the Medicaid program. In Connecticut, the State agency administers the Medicaid program in accordance with a CMS-approved State plan. The State plan establishes which services the Medicaid program will cover.

Section 1915(c) of the Social Security Act authorizes the Secretary of Health and Human Services to waive certain Medicaid statutory requirements so that a State may offer HCBS to a State-specified target group of Medicaid beneficiaries who need a level of institutional care that is provided under the Medicaid State plan.

Before the enactment of section 1915(c), the Medicaid program provided limited coverage for long-term services and support in noninstitutional settings but offered full or partial coverage of institutional care. Section 1915(c) was enacted to enable States to address the needs of individuals who would otherwise receive costly institutional care by furnishing cost-effective services that allow them to remain in their households and communities.

[1] See Appendix B for related Office of Inspector General reports.

Federal regulations for section 1915(c) waivers require States to provide assurances that they will implement safeguards, including adequate standards for provider participation, to protect the health and welfare of individuals served under the waiver and to assure financial accountability for funds expended for those services (42 CFR § 441.302(a)(1) and 42 CFR § 441.302(b)).

As part of the waiver, the State agency must also provide assurances that State requirements are met for services or for individuals furnishing services that are provided under the waiver (42 CFR § 441.302(a)(2)).

Connecticut Medicaid Program and Comprehensive Supports Home and Community-Based Services Waiver

In Connecticut, the State agency oversees the Comprehensive Supports HCBS program, which operates under a federally approved 1915(c) waiver to its Medicaid State plan. DDS, through a memorandum of understanding, is responsible for the daily administration and supervision of the waiver, including the development and enforcement of related policies, rules, and regulations.[2] The State agency and DDS are separate entities of the Connecticut State Government.[3]

The Comprehensive Supports waiver allows the State to use Medicaid funding to provide a range of services that offer eligible participants of all ages alternatives to institutional placement.[4] These services, which include IHS services, are designed to support full access to the broader community and are arranged through a person-centered planning process that reflect each participant's goals, support needs, and preferences. IHS services aid with the acquisition, improvement, and retention of skills and necessary supports to achieve personal outcomes that enhance individuals' ability to live in their communities. IHS services include a combination of habilitative and personal support activities as they would naturally occur during the day. IHS services are not allowed in licensed settings and may be delivered in a personal

[2] In its waiver, the State agency assures that the necessary safeguards have been taken to protect the health and welfare of participants receiving services under the waiver. These safeguards include compliance with applicable State agency service standards, rules, and documentation requirements.

[3] Although the details of our findings generally involve DDS in its operational role with respect to the Comprehensive Supports waiver, we are addressing our findings and recommendations to the State agency, which retains overall responsibility for the administration of the Comprehensive Supports waiver program by exercising oversight of other State agencies' performance of waiver functions.

[4] In this report, we refer to Medicaid enrollees as participants.

home and in the community.[5] Connecticut allows participants of waiver services to receive services from DDS qualified providers or self-direct their services.[6, 7]

Connecticut's Oversight of Health and Safety Standards for Individualized Home Supports

The State agency and DDS are responsible for managing the system of services and supports for ensuring the health and safety of individuals receiving IHS services. As part of its quality management responsibilities DDS oversees the certification and recertification process of IHS providers to ensure that they meet provider qualification requirements. During our audit, DDS officials described for us the provider certification process, which includes: (1) an annual meeting between the provider and DDS Regional management; (2) review of relevant documentation and the completion of a Provider Performance Review Certification Checklist (checklist); (3) submission of the completed, signed checklist to the DDS Certification Unit bi-annually; and (4) issuance by the Certification Unit of a formal certification letter to providers that meet qualifications.

In addition, DDS develops and implements person-centered plans[8] that address the individuals' needs and preferences. The plans support the individuals to create and promote meaningful opportunities for them to fully participate as valued members of their communities. Individual plans are reviewed at least annually to assess the appropriateness and adequacy of the services as participant needs change.

The State agency and DDS operate a critical incident reporting and management process that requires all staff employed directly by the individual, their family, or providers to immediately notify the individual's family, DDS case manager, or broker of any critical incident and complete an incident report form. Copies of the form are sent to the DDS Regional Director or designee immediately or the next working day following the incident. The reports should be date stamped upon arrival and data entered into DDS's management information system. Critical incidents that should be reported include, among other things, severe injury.[9]

DDS has established and maintains an abuse and neglect registry. Employers are prohibited from hiring a person whose name appears on the registry or retaining an employee after

[5] A personal home can be either the enrollee's own home or a family home.

[6] In this report, we refer to qualified providers as providers.

[7] If waiver participants chose to self-direct their services, they are the employer of record of the direct support professionals who provide the IHS services.

[8] In this report, we refer to person-centered plans as individual plans.

[9] DDS defines a severe injury as an injury that requires hospital emergency room level of treatment or hospital admission. These injuries include all fractures, except fingers or toes, as well as other severe injuries such as severe lacerations, head injury, and internal trauma or injuries.

receiving notice that their name appears on the registry. To ensure that providers do not hire an individual whose name appears on the registry, DDS procedures require employers to complete a pre-employment registry check using the DDS Abuse and Neglect Registry Online Pre-Employment Inquiry System.

In accordance with State law and DDS policy, providers licensed or funded by the department to provide residential, day, or support services to participants with intellectual disability generally must conduct a criminal background check of each applicant who has been made an offer of conditional employment and will have direct and ongoing contact with participants and families receiving services.[10]

DDS is required by the waiver to demonstrate that it has designed and implemented an adequate system for assuring that all waiver services are provided by qualified providers. To this end, DDS has issued guidance to providers that includes required training topics, by when new employees must complete the training, and required retraining intervals for each topic.

HOW WE CONDUCTED THIS AUDIT

We used paid claims data provided by DDS for the State fiscal year July 1, 2023, through June 30, 2024 (audit period), to identify Medicaid participants who received IHS services. We identified 677 Medicaid participants who received approximately $24 million in IHS services during the audit period. Of the 677 participants, we identified 399 Medicaid participants who received IHS services totaling approximately $11 million from 81 providers and 290 participants who received self-directed services totaling approximately $13 million from an unknown number of IHS direct service providers.[11, 12] To evaluate the State agency's oversight of program requirements, we conducted a desk review of the provider certification documentation for the 81 providers identified in the claims data, reviewed a nonstatistical sample of individual plans for 124 of the 677 participants, and analyzed hospital claims for potentially reportable, potential critical incidents.[13]

Finally, to further evaluate the State agency's oversight of providers, we selected a nonstatistical sample of five DDS providers for onsite reviews based on various factors, including geographic location, annual certification review checklist deficiency data, total paid claims, number of participants served by the provider, whether they reported any incidents of

[10] Connecticut General Statutes (CGS) § 17a-227a(b) and DDS Procedure No: I.G.PR.010.

[11] Medicaid enrollees have the option to receive services from DDS-qualified providers or to self-direct their services.

[12] The number of DDS-directed and self-directed enrollees total more than the 677 enrollees because 12 enrollees had both DDS-directed and self-directed services.

[13] We selected for review the individual plans for all participants who received between 16 and 24 hours of IHS services on at least 1 day during the audit period.

potential abuse or neglect, and whether they had unreported reportable incidents. We conducted site visits at the provider offices during November 2025, and we discussed with State officials how the State agency monitors its IHS providers.

We conducted this performance audit 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.

Appendix A contains the details of our audit scope and methodology. Appendix C contains Federal regulations and specific State requirements related to health and safety.

FINDINGS

The State agency did not fully comply with Federal and State health and safety requirements in overseeing DDS and providers that serve participants with intellectual and developmental disabilities who received IHS services through the program. We found that DDS did not: (1) issue timely certification status letters to 32 of the 81 providers we reviewed, (2) complete an annual review or maintain documentation of an annual review for 6 of the 124 individual plans we reviewed, and (3) ensure that 70 critical incidents involving 61 participants were reported and recorded in accordance with Federal and State requirement.

In addition, we found that the five providers we reviewed did not fully comply with one or more State requirements. We found 158 instances of noncompliance in which the provider did not comply with Federal and State requirements regarding: (1) criminal history background checks of potential employees (23 instances), (2) abuse and neglect registry checks of potential employees (29 instances), and (3) staff completion of all mandatory training within required timeframes (106 instances).

Weaknesses in the State agency's quality management system, which did not consistently detect and prevent noncompliance with health and safety standards, limited the effectiveness of its oversight of providers. Additionally, providers did not always meet their responsibilities under State requirements, citing challenges such as vendor record retention policies. As a result, participants with intellectual and developmental disabilities who received residential habilitation services and supports were at increased risk of potential harm.

Furthermore, with respect to the deficiencies noted during our onsite visits, the providers had policies and procedures in place that, if followed, would have prevented most if not all of the deficiencies that we noted.

STATE AGENCY AND DEPARTMENT OF DEVELOPMENTAL SERVICES OVERSIGHT OF INDIVIDUALIZED HOME SUPPORT PROVIDERS COULD BE IMPROVED

DDS did not issue timely certification status letters to 32 of the 81 providers we reviewed, complete an annual review or maintain documentation of an annual review for 6 of the 124 individual plans we reviewed, and ensure that 70 critical incidents involving 61 participants were reported and recorded in accordance with Federal and State requirements.

Department of Developmental Services Provider Recertification Process Was Not Operating as Intended

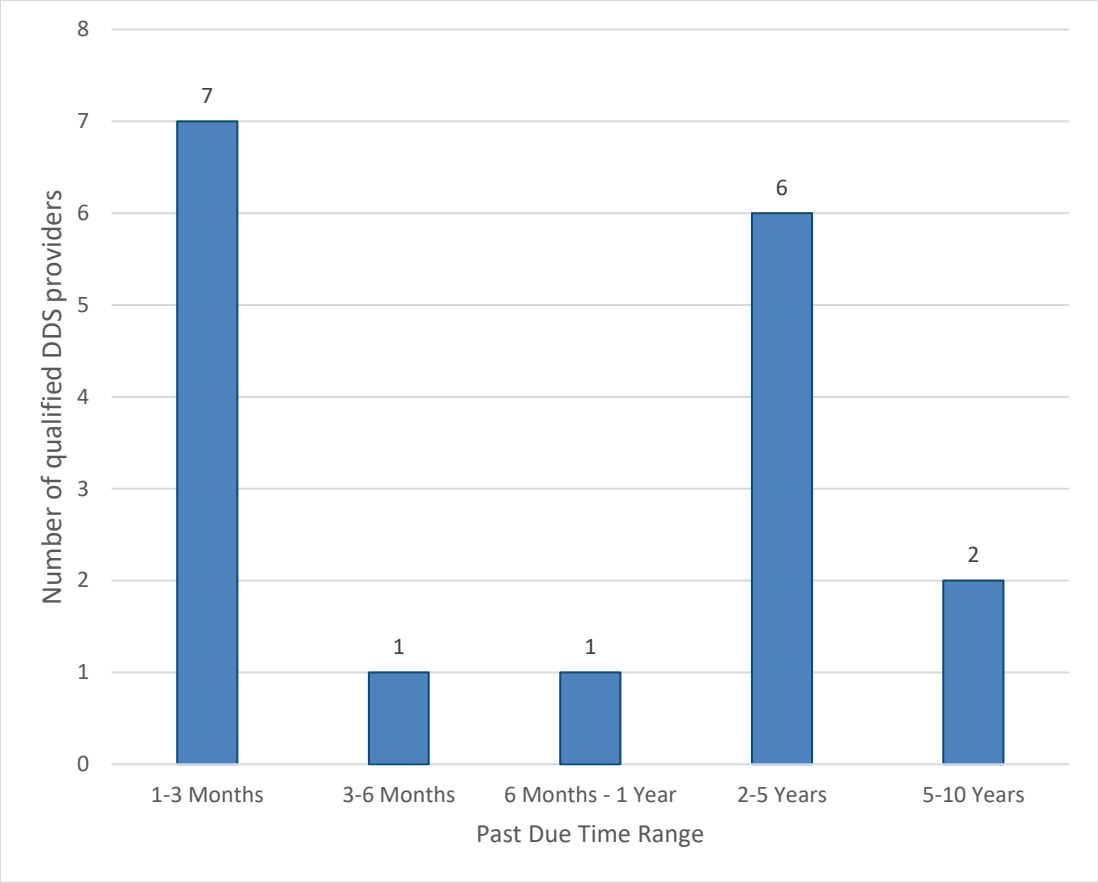
In accordance with the waiver, the State must provide assurance to CMS that it has designed and implemented an adequate system for assuring that all waiver services are provided by qualified providers.[14] The waiver requires that the State initially and every 2 years verify that providers meet required licensure and/or certification standards and adhere to other standards prior to their furnishing waiver services.[15]

We found that DDS did not always complete the initial certification or recertification process for qualified providers. Of the 81 providers whose certification status we reviewed, DDS issued timely certification letters to 49 providers. However, DDS did not follow the provider certification process for 32 providers. Specifically, DDS issued certification letters to 17 providers past the 2-year expiration date of the previous certification letter. For these 17 providers, DDS issued the letters 32 to 2,527 days (approximately 1 month to 7 years) past the certification expiration date of the previous letter (Figure 1 on the next page).

[14] Waiver Application, Appendix C: Participant Services, Quality Improvement: Qualified Providers, page 160.

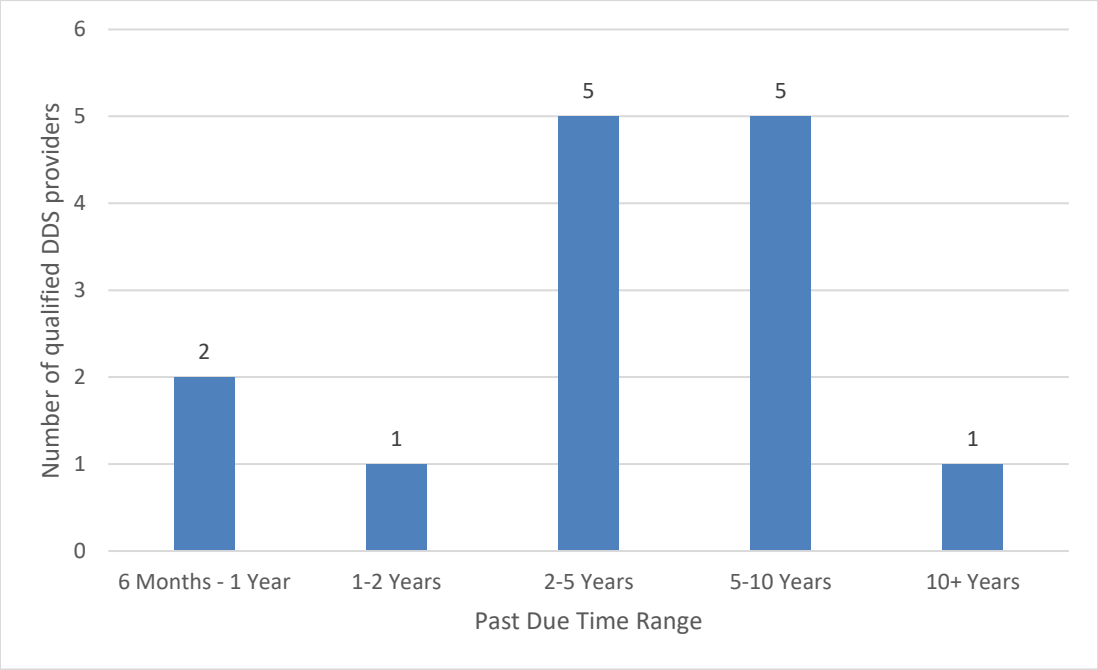
[15] Waiver Application, Appendix C-1/C-3: Provider Specifications for Service, page 118.

Figure 1: Time Elapsed Between Two Most Recent Provider Certifications



We also found that, as of July 2025, certification letters for 14 providers were past due. Based on the date of the most recent certification letter provided by DDS, these providers' certification letters were past due from 197 to 3,850 days (approximately 6½ months to over 10 years) (Figure 2 on the next page).

Figure 2: Time Elapsed Since Last Provider Certification Letter



DDS was unable to provide any certification letters for one provider that has been an approved provider for over 8 years. As a result, we were unable to determine whether DDS followed its provider certification/recertification process for this provider.

We could not verify that DDS completed related certification work during the lapse between the two certification letters for 17 providers, during the period between the date of the last certification letter and documentation request date for 14 providers, and at all for the 1 provider with no certification letters. Therefore, potential participant health and safety issues may not have been identified.

DDS designed and implemented an adequate system for assuring that all IHS waiver services are provided by qualified providers. DDS, along with the provider Certification Unit within DDS, oversees the certification and recertification process of IHS providers to ensure that they meet provider qualification requirements. This process includes: (1) an annual meeting between the provider and DDS Regional management; (2) review of relevant documentation and the completion of a checklist; (3) submission of the completed, signed checklist to the DDS Certification Unit biannually; and (4) issuance of a formal certification letter to providers that meet qualifications by the Certification Unit. However, the State agency did not monitor the recertification process to ensure that it was functioning as intended.

DDS officials acknowledged that a breakdown in the provider certification process resulted in the untimely issuance of provider certification letters and the need for corrective action. Specifically, DDS officials stated that they met annually with providers and completed the checklists; however, the checklists were not always sent biannually to the DDS Certification

Unit, which prevented the DDS Certification unit from issuing certification letters. DDS officials also stated they recognize the need for formalizing the steps in writing to ensure the integrity of the provider certification process.

Department of Developmental Services Did Not Always Review Individual Plans as Required

Federal regulations, as incorporated in the waiver, require that individual plans be developed and reviewed and revised, as necessary, at least every 12 months for each participant.[16] DDS case managers, along with other team members, develop and implement individual plans that address the individuals' needs and preferences.[17] The plan supports individuals to create and promote meaningful opportunities for them to fully participate as valued members of their communities. Individual plans are reviewed at least every 12 months to assess the appropriateness and adequacy of the services as participant needs change.

We found that DDS generally complied with requirements to review and revise, as necessary, individual plans at least every 12 months, as required. DDS reviewed and updated 118 of the 124 participant individual plans in our sample as required. However, for the remaining six individual plans that we reviewed, DDS either did not review the individual plan annually (five individual plans) with delays ranging from 3 to 198 days or did not have evidence that the individual plan had been reviewed (one individual plan).

Due to the demands of the role, DDS case managers did not always meet the requirements for reviewing, and revising as appropriate, individual plans at least every 12 months, as required. The lack of an annual review of participants' individual plans increases the risk that services provided may not align with the participants' current needs. As a result, participants may receive insufficient support for new or worsening conditions, potentially compromising their health, safety, and overall quality of care. DDS acknowledged that these individual plans were not reviewed in accordance with the requirements; DDS also informed us that it has addressed these issues with the individuals responsible for completing the individualized plan reviews.

Critical Incidents Not Reported or Recorded

The State operates a critical incident reporting and management process.[18] The waiver and DDS procedure define reportable incidents that must be reported to the individual's case

[16] 42 CFR § 441.301(c)(3)(i) and Waiver Application, Appendix D-1: Service Plan Development, page 180.

[17] At a minimum, all planning and support teams shall include the individual who is receiving supports, his or her guardian if applicable, his or her case manager, and persons whom the individual request to be involved in the individual planning process.

[18] Appendix G-1: Response to Critical Events or Incidents, page 214.

manager.[19] This list includes, among other things, severe injuries that require hospital emergency room treatment or hospital admission. It further states that reportable incidents are the same as "critical incidents."

All staff employed directly by the individual, their family, or providers are required to immediately notify the individual's family, DDS case manager, or broker of any critical incident and complete an incident report form. Copies of the form are sent to the DDS Regional Director or designee immediately or the next working day following the incident. Incidents should also be reported at the correct severity level. The forms should be date stamped upon arrival, and the data from the forms should be recorded in DDS's management information system.[20]

Working with DDS, we identified 101 incidents that were critical in nature and should have been reported to DDS and determined whether all reported incidents were recorded in DDS's management information system.[21] We found that 70 of the 101 incidents, involving 61 participants, were not reported or recorded in accordance with the waiver requirements and DDS procedures. Specifically:

- 48 critical incidents were not reported by providers
- 11 critical incidents were reported late by providers
- 7 critical incidents were reported at an incorrect severity level by providers
- 11 critical incidents were not recorded in the incident reporting system by DDS.[22]

The State established a system of reporting and monitoring incidents that occur with individuals supported by the department to identify, manage, and reduce overall risk for the individual. This system identifies Medicaid claims that include "critical incidents." When claims are flagged, DDS determines whether the incident was reported and whether further follow-up is needed. However, DDS officials stated that their monitoring system was not fully implemented during our audit period, which resulted in DDS failing to identify unreported critical incidents. In addition, DDS stated that incidents sometimes are not reported because incidents occur at times when staff are not present, and staff are not alerted that an incident has occurred. DDS also relied on a manual process to record reportable incidents in its system, which could result in the failure to record all reported incidents.

[19] Waiver, Appendix G-1: Response to Critical Events or Incidents, page 216, and DDS Procedure No. I.D.PR.009a.

[20] DDS Procedure No: I.D.PR.009a.

[21] At our request, DDS made the determination of whether the hospital visit represented a critical incident.

[22] These total more than 70 incidents because the 7 incidents reported at the incorrect severity level were also not recorded in the incident reporting system by DDS and are included in the 11 critical incidents not recorded.

DDS officials stated that they have begun developing a dashboard that will automatically notify staff when a participant visits an emergency room for a severe injury and there is no corresponding incident report. They also informed us that they are in the process of implementing a new online incident management platform that will fully replace the manual entry and tracking of incident reports.

DEPARTMENT OF DEVELOPMENTAL SERVICES MONITORING OF INDIVIDUALIZED HOME SUPPORT PROVIDER HEALTH AND SAFETY REQUIREMENTS COULD BE IMPROVED

All five of the providers reviewed were not in compliance with one or more State health and safety requirements. Specifically, we found 158 instances of noncompliance, including:

- 23 instances of noncompliance with criminal history checks
- 29 instances of noncompliance with abuse and neglect registry checks
- 106 instances of noncompliance with training requirements

Providers Did Not Always Conduct or Maintain Documentation of Timely Criminal History Checks

Providers must require each applicant who has been made an offer of conditional employment and will have direct and ongoing contact with participants and families receiving services to submit to a check of such applicant's State criminal background.[23]

Providers conducted timely criminal history checks for 109 of 132 employees whose records we reviewed. However, all 5 providers did not complete the criminal history check as required or maintain documentation of a completed criminal history check for 23 staff providing direct care to participants. Specifically,

- 4 providers did not complete a criminal history check for 11 staff as required[24, 25]
- 5 providers were unable to provide documentation that the background checks had been completed as required for 12 staff[26]

[23] CGS § 17a-227a(b) and Waiver Application, Appendix C, page 119 and 157.

[24] One provider did provide documentation of completed background checks for three of its seven employees; however, the background checks done were citywide rather than statewide and did not meet the requirements set forth in the waiver.

[25] All four providers conducted a criminal history check after the date of hire for eight staff.

[26] The total number of providers is greater than five because some providers were included in both categories.

Providers indicated that they were unable to provide documentation of timely criminal history checks due to missing personnel files, documentation missing from personnel files, and vendor record retention policies.

Providers Did Not Always Conduct or Maintain Documentation of Timely Abuse and Neglect Registry Checks

Employers are prohibited from hiring a person whose name appears on the DDS abuse and neglect registry.[27] To ensure that employers do not hire a person whose name appears on the registry, DDS procedures require employers to complete a pre-employment registry check using the DDS Abuse and Neglect Registry Online Pre-Employment Inquiry System to determine whether the potential employee's name is on the registry.[28]

Providers conducted timely abuse and neglect registry checks as required for 103 of 132 employees whose records we reviewed. However, all 5 of the providers did not complete the registry check as required or maintain documentation of a completed registry check for 29 staff providing IHS direct care to participants. Specifically,

- 2 providers did not complete an abuse and neglect registry check for 7 staff as required[29]

- 5 providers were unable to provide documentation that the abuse and neglect registry checks had been completed as required for 22 staff[30, 31]

Providers indicated that they were unable to provide documentation of timely abuse and neglect registry checks due to missing documentation, missing files, and vendor record retention policies.

[27] CT General Statutes sec. 17a-247c.(a).

[28] Waiver Application, Appendix C-2(b) General Service Specifications, Abuse Registry Screening, page 158 and DDS Procedure No.: I.F.PR.007a.

[29] One provider did not conduct a registry check for one staff and conducted a registry check after the date of hire for three staff. Another provider conducted a registry check after the date of hire for three staff.

[30] One provider did not use the DDS Abuse and Neglect Registry Online Pre-Employment Inquiry System to complete a pre-employment registry check as required by DDS for seven staff; rather it relied on the DDS registry report to verify whether newly hired employees appeared on the DDS Abuse and Neglect Registry.

[31] The total number of providers is greater than five because some providers are included in both categories.

Providers Did Not Always Ensure That Staff Completed Required Trainings Within the Required Timeframes

In accordance with the waiver, the State must provide assurance to CMS that it has designed and implemented an adequate system for assuring that all waiver services are provided by qualified providers. This includes implementing policies and procedures for verifying that provider training is conducted in accordance with State requirements and the approved waiver.[32] DDS policy requires all private-sector provider agencies under contract with or licensed by DDS to provide services to covered individuals or their families to have a written policy that requires new hire orientation and ongoing compliance and professional development training for all employees who work directly with individuals and/or their families. Policies should clarify requirements for direct service personnel training.[33] DDS also issued guidance to providers to clarify staff training requirements, including both training topics and intervals for completion.[34]

Providers ensured that 26 of 132 employees completed all mandatory training within the required timeframes. However, we found that 106 employees did not complete all mandatory training within the required timeframes. Specifically,

- 7 of 7 staff were missing 1 or more training at 1 provider
- 66 of 67 staff were missing 1 or more training at 1 provider
- 4 of 25 staff were missing 1 or more training at 1 provider
- 12 of 14 staff were missing 1 or more training at 1 provider
- 17 of 19 staff were missing 1 or more training at 1 provider

Providers attributed the cause to employee non-compliance and lack of follow-through by either management or the employees themselves.

CONCLUSION

For the providers we reviewed, we determined that the State agency and DDS could improve oversight to better ensure the health and safety of participants with intellectual and developmental disabilities receiving IHS services. The State agency's and DDS's oversight and

[32] Waiver Application, Section 5, Assurances, (A)(1), page 7 and Appendix C: Participant Services, Quality Improvement (c), page 165.

[33] DDS Policy No. II-D-Po-5.

[34] DDS Operations Memo 2020-06.

monitoring did not detect instances of noncompliance. As a result, the health and safety of vulnerable participants were put at risk.

We discussed, at the conclusion of the onsite visits, our findings pertaining to staff criminal history and abuse and neglect registry checks and training with provider officials. Providers indicated that they would take corrective actions. We also discussed our results with DSS and DDS officials. DDS officials indicated that they would follow up with the five providers to ensure that they comply with all health and safety requirements.

RECOMMENDATIONS

- We recommend that the State agency work with DDS to develop and implement formal written policies and procedures for the provider certification and recertification process.

- We recommend that the State agency work with DDS to ensure that case managers review and update participants' individual plans, at least annually as required.

- We recommend that the State agency work with DDS to fully implement its reporting and monitoring system to identify potential cases of reportable incidents involving Medicaid participants with intellectual and developmental disabilities who incurred severe injuries and were treated in hospital emergency room and inpatient settings and that appropriate follow-up action is taken.

- We recommend that the State agency and DDS work with providers to improve internal controls for criminal background and abuse and neglect registry checks, maintenance of records, and training.

STATE AGENCY COMMENTS

In written comments on our draft report, the State agency concurred with all four recommendations and described the actions that it has taken and plans to take to address them. For example, the State agency said that it has begun modernizing the platform that processes provider certifications and recertifications, creating a dashboard to provide automated notification of emergency room visit claims that lack a current incident report in the DDS system, and revising the new provider orientation where all provider requirements are shared with newly qualified providers.

The State agency's comments are included in their entirety as Appendix E.

APPENDIX A: AUDIT SCOPE AND METHODOLOGY

SCOPE

We received Medicaid paid claims data from DDS for IHS services provided to 677 Medicaid participants during the State fiscal year ended June 30, 2024, that totaled approximately $24 million. We used this data to identify IHS providers that provided IHS services to waiver participants. We identified 81 IHS providers that received approximately $11 million in Medicaid reimbursement on behalf of 399 participants during the audit period.[35]

To evaluate the State agency's oversight of program requirements, we: (1) reviewed the provider certification process through a review of the Provider Performance Review Certification Checklist and provider certification status letters for the 81 providers; (2) selected a nonstatistical sample of 124 individual plans, based on participant daily units of service billed, to determine whether individual plans were reviewed and updated as required; and (3) identified potentially unreported or unrecorded incidents to determine whether the incidents were reported and recorded.[36]

To evaluate the State agency's oversight of providers, we selected a nonstatistical sample of 5 of the 81 providers for review, based on various factors, including geographic location, annual certification review checklist deficiency data, total paid claims, number of participants served by the provider, whether they reported any incidents of potential abuse or neglect, and whether they had unreported reportable incidents. We conducted in-person site visits at these providers during November 2025. During each site visit we reviewed provider policies and procedures related to staff criminal history checks, abuse and neglect registry checks, and training. In addition, we reviewed documentation to determine whether the provider completed the required criminal history and abuse and neglect registry checks, as required, and whether staff completed all mandatory training within the required timeframes.

During our audit, we did not review the overall internal control structure of the State agency, DDS, or the Medicaid program. Rather, we reviewed only the internal controls that pertained directly to our audit objective. We specifically examined the State agency's IHS provider requirements and its quality management system for monitoring provider compliance. However, our audit may not have identified all material weaknesses in the State agency's internal controls.

[35] The remaining $13 million in IHS services were paid for services provided to 290 waiver participants who self-direct their waiver services.

[36] We selected for review the individual plans for all participants who received between 16 and 24 hours of IHS services on at least 1 day during the audit period. We considered this level of support to be moderate to high, which may indicate a greater likelihood of requiring timely and thorough IP review.

METHODOLOGY

We took the following steps to accomplish our audit objective:

- Reviewed applicable Federal and State requirements and guidelines
- Discussed with State agency and DDS officials how they monitor IHS providers to gain an understanding of the State's health and safety requirements
- Assessed the design, implementation, and operating effectiveness of the State agency's and DDS's: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring of IHS providers
- Obtained the Medicaid paid claim data for the Comprehensive Supports waiver from DDS for the audit period
- Reconciled the Medicaid Management Information System (MMIS) claims data to the *Quarterly Medicaid Statement of Expenditures for the Medical Assistance Program Form CMS-64* report schedule applicable to HCBS waiver expenditures
- Constructed a list of IHS providers and participants from the MMIS claims data
- Obtained from DDS the most recent Provider Performance Review Certification Checklists and the Provider Certification Status letters issued by DDS to IHS providers to determine whether the providers received certification from DDS in accordance with Federal and State requirements and guidelines
- Identified hospital claims, using the CMS Integrated Data Repository, for potentially reportable, potential critical incidents
- Obtained a list of incidents for the 677 participants that were reported and recorded during the audit period from DDS
- Compared the hospital claims to the list of incidents to identify whether any incidents were not reported
- Selected a nonstatistical sample of 124 individual plans to determine whether DDS reviewed and updated individual plans in accordance with Federal and State requirements and guidelines
- Selected a nonstatistical sample of five IHS providers and conducted site visits at their administrative offices to determine whether providers had evidence of current staff criminal history checks, abuse and neglect registry checks, and all required training

- Evaluated DDS and IHS provider compliance with Federal and State requirements

- Discussed the results of our audit with IHS providers and State agency and DDS officials

We conducted this performance audit 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.

APPENDIX B: RELATED OFFICE OF INSPECTOR GENERAL REPORTS

Report Title	Report Number	Date Issued
North Dakota Could Have Better Ensured That Providers Fully Complied With Federal Waiver and State Health, Safety, and Administrative Requirements at 44 Residential Settings	A-07-24-04137	6/16/2026
Indiana Did Not Fully Comply With Federal Waiver and State Health, Safety, and Administrative Requirements at 30 Residential Settings	A-05-24-00013	10/15/2025
Missouri's Oversight of Certified Individualized Supported Living Provider Health and Safety Could Be Improved in Some Areas	A-07-21-03247	3/21/2023

APPENDIX C: FEDERAL AND STATE REQUIREMENTS

FEDERAL AND STATE REQUIREMENTS

Section 1915(c) of the Social Security Act authorizes the Secretary of Health and Human Services to waive certain Medicaid statutory requirements so that a State may offer HCBS to a State-specified target group of Medicaid beneficiaries who need a level of institutional care that is provided under the Medicaid State plan.

Prior to the enactment of section 1915(c), the Medicaid program provided limited coverage for long-term services and support in noninstitutional settings but offered full or partial coverage of institutional care. Section 1915(c) was enacted to enable States to address the needs of individuals who would otherwise receive costly institutional care by furnishing cost-effective services while the individuals remain in their households and communities.

Federal regulations for section 1915(c) waivers require States to provide assurance that necessary safeguards will be taken, including adequate standards for provider participation, to protect the health and welfare of individuals serviced under the waiver and to assure financial accountability for funds expended for those services (42 CFR § 441.302).

As part of the waiver, the State agency must provide assurances to CMS that State requirements are met for services or for individuals furnishing services that are provided under the waiver (42 CFR § 441.302(a); 1915(c) waiver). The State agency must also provide assurances that the necessary safeguards have been taken to protect the health and welfare of participants receiving services under the waiver. These safeguards include compliance with applicable State agency service standards, rules, and documentation requirements. In addition, waiver services must be furnished under a written person-centered service plan (also called plan of care) that is based on a person-centered approach and is subject to approval by the Medicaid agency (42 CFR § 441.301(b)(1)(i)).

THE HOME AND COMMUNITY-BASED SERVICES WAIVER APPLICATION

The waiver application requires that the State has adequate standards for all types of providers that provide services under the waiver (Waiver Application, Assurances, Section A.1.: Health & Welfare).

The waiver application requires the DDS case manager to support the waiver participant and other team members to develop, implement, and monitor a plan that addresses the individual's needs and preferences. The waiver application requires that the plan be reviewed at least annually or more frequently, if necessary (Waiver Application, Appendix D, *Participant-Centered Planning and Service Delivery*, Section D-1: "Service Plan Development" (4 of 8) and Section D-2: "Service Plan Implementation and Monitoring").

The waiver application requires all staff employed directly by the individual, individual's family, or provider agency to provide services and supports to waiver participants to immediately notify the individual's family, case manager, or broker of any critical incident (including severe injury) (Waiver Application, Appendix G-1: "Response to Critical Events or Incidents").

The waiver application requires providers to comply with State requirements including conducting criminal and background checks for all prospective employees of providers who may have direct access to individuals served. This includes direct support and professional support services (Waiver Application, Appendix C, *Participant Services*, section C-2: "General Service Specifications" (1 of 3)).

The waiver application requires providers to check the abuse and neglect registry prior to hiring any employee who will deliver services (Waiver Application, Appendix C, *Participant Services,* section C-2: "General Services Specifications: (1 of 3)).

The waiver application requires that staff demonstrate competence, knowledge, skills, abilities, education, and or experience required to safely support the individual as described in the plan (Waiver Application, Appendix C, *Participant Services*, section C-1/C-3: "Service Specification").

STATE REQUIREMENTS

The State agency administers and oversees the HCBS program under a 1915(c) waiver to its Medicaid State plan, which includes services under the HCBS waiver program. The State agency identifies requirements for providers of IHS services provided under the HCBS waiver. DDS is responsible for the day-to-day administration and supervision of the waiver through the implementation of policies, procedures, and program manuals. As part of its quality improvement strategy, the State agency oversees monitoring of service implementation, participant safety and satisfaction, and integrity of submitted claims.

State Regulations

The DDS Commissioner may require providers licensed or funded by the department to provide services to people with intellectual disabilities to require each applicant who has been made an offer of conditional employment and will have direct and ongoing contact with people and families receiving services to submit to a State criminal background check. Employment shall be considered conditional until the results of the background checks have been received and reviewed by the provider (CGS § 17a-227a(b)).

DDS is required to establish and maintain an abuse and neglect registry (registry) that includes, at a minimum: (a) names, addresses, and Social Security numbers of individuals terminated or separated from employment as a result of substantiated abuse or neglect; (b) date of termination or separation; (c) type of abuse or neglect; and (d) the name of any employer or authorized agency requesting information from the registry, the reason for the request, and the date of the request (CGS § 17a-247b).

Employers are prohibited from hiring a person whose name appears on the registry or retaining an employee after receiving notice that the employee's name appears on the registry (CGS § 17a-247c.(a)).

State Agency Administrative Guidance

Individuals who receive DDS HCBS waiver services, including IHS, shall have an individual plan. The plan guides the supports and services provided to the individual and at a minimum, will be reviewed and updated on a yearly basis (DDS Policy No. I.C.1.PO.002).

Staff shall report all critical incidents immediately to the individual's family and case manager or broker, complete the DDS Incident Report form, provide the original copy of the form to the employer, and send the remaining copies to the DDS regional director's or designee's office immediately or the next working day following the incident. Each DDS Region shall identify staff responsible for ensuring that the incident report forms are date stamped upon arrival and the information on the form is entered into DDS's automated mainframe database within five business days of receipt (DDS Procedure No. No. I.D.PR.009a).

Qualified providers shall comply with DDS requirements for criminal background checks for all employees who will have direct and ongoing contact with individuals who receive funding or services from the department pursuant to subsection (b) of section 17a-227a of the Connecticut General Statutes when they have been made an offer of conditional employment and the reviews must be completed before a final offer of employment is made (DDS Procedure No. I.G.PR.010).

As per CGS § 17a-247c, no employer licensed or funded by DDS (including DDS providers) shall hire a person whose name appears on the Registry. DDS procedures require employers to complete a pre-employment registry check using the DDS Abuse and Neglect Registry Online Pre-Employment Inquiry System to determine whether the potential employee's name is on the registry (DDS Procedure No. I.F.PR.007a).

DDS policy requires all private-sector provider agencies under contract with or licensed by DDS to provide services to department individuals or their families to have a written policy that requires new hire orientation and ongoing compliance and professional development training for all employees who work directly with individuals and/or their families. Policies should clarify requirements for direct service personnel training (DDS Policy No. II-D-Po-5).

DDS issued guidance to providers to clarify staff training requirements including both training topics and intervals for completion (DDS Operations Memo 2020-06).

APPENDIX D: INSTANCES OF NONCOMPLIANCE WITH BACKGROUND AND ABUSE AND NEGLECT REGISTRY CHECKS AND TRAINING REQUIREMENTS FOR THE FIVE PROVIDERS SELECTED FOR SITE VISITS

Provider	Staff Records Criminal Background Check	Staff Records Abuse and Neglect Registry Check	Staff Records Training	Total
1	6	7	7	20
2	9	5	66	80
3	2	11	4	17
4	2	1	12	15
5	4	5	17	26
Totals	**23**	**29**	**106**	**158**

Commissioner Elisa Velardo
Department of Developmental Services

CONNECTICUT

September 1, 2026

Pei Sun
Regional Inspector General for Audit Services
Office of Inspector General
Department of Health and Human Services

In partnership with the Department of Social Services (DSS) as the single state Medicaid agency, the Department of Developmental Services (DDS) is submitting the following comments in response to the Department of Health and Human Services, Office of Inspector General (OIG) draft report *Connecticut Could Better Ensure That the Department of Developmental Services and Providers Fully Comply With Federal Waiver and State Health and Safety Requirements for Individualized Home Support Services*-report number OAS-25-01-072.

The state acknowledges the findings articulated in the draft report and appreciates the opportunity to respond.

OIG identified four recommendations outlined on page 14. The state offers the following comments:

Recommendation #1
We recommend that the State agency work with DDS to develop and implement formal written policies and procedures for the provider certification and recertification process.

State Response:
The state concurs with this recommendation, recognizing the importance of formal written policies and procedures to ensure standardization for the provider certification and recertification process.

DDS recently began modernizing the platform that processes the provider certification and recertifications. The new platform will facilitate automated

reminders for when a recertification is due and automatically generate certification and recertification letters. DDS anticipates that these changes will limit the manual errors identified throughout the course of the audit.

As noted in the report, the Department found that providers that did not have their certification letters issued or sent timely did hold the required annual meeting with the Department and completed the recertification checklist. The process broke down in sending that checklist to the proper unit for processing. The Department anticipates that the shift to the automated process in the new platform will address and resolve the deficiencies identified in the report. The Department intends to articulate this new process in formal written policies and procedures shortly after the launch of the new process near the end of calendar year 2026.

Recommendation #2
We recommend that the State agency work with DDS to ensure that case managers review and update participants' individual plans, at least annually as required.

State Response:
The state concurs with this recommendation, as annual reviews and updates to participants' individual plans align with federal waiver requirements and the state's commitment to ongoing and active engagement with individuals supported through DDS. As noted in the draft report, OIG sampled 124 participant plans and found six plans that were not reviewed at least annually. This sample indicates a 95% compliance rate. DDS reviewed each of the six cases and determined that in one of the six cases, case notes and system documentation detailed that the service plan was updated timely, however the case manager had retired and documentation of the service plan could not be located. For the other 5 cases, the Department communicated directly with the case manager and their supervisor to address and remediate the findings. DDS will continue to focus on providing training for all case managers on the proper process for annual service planning.

DDS also tracks annual plan requirements through federal waiver assurances which are reported to the Centers of Medicare and Medicaid Services (CMS) regularly. For

April 1, 2024- March 31, 2025, DDS reported that 10,577 service plans were revised at least annually out of the total of 10,654 service plans, representing a 99% compliance rate.

Recommendation #3

We recommend that the State agency work with DDS to fully implement its reporting and monitoring system to identify potential cases of reportable incidents involving Medicaid participants with intellectual and developmental disabilities who incurred severe injuries and were treated in hospital emergency room and inpatient settings and that appropriate follow-up action is taken.

State Response:

The state concurs with this recommendation and has been actively working to fully implement the reporting and monitoring system to identify unreported incidents that were treated in a hospital emergency room (ER).

DDS currently uses a system called Pulselight to review Medicaid claims and identify potential unreported critical incidents or suspected cases of abuse or neglect. The system reviews diagnostic trigger codes developed using the DDS definition of critical incidents, which in most cases requires a severe injury with inpatient hospitalization. For all assault and sexual assault trigger codes the claim can occur anywhere, including primary care, walk-in/urgent care or the ER. It is important to note that the current Pulselight system was not fully operational during the OIG audit review period of Fiscal Year 2024.

In late 2025, post launch of the Pulselight system, DDS explored the feasibility of utilizing Pulselight to review Medicaid claims that include treatment in an ER setting. The increased volume allowed for an expanded opportunity to review ER encounters for DDS individuals and ensure proper reporting and follow up is occurring. To that end, the Department has been working toward the creation of a dashboard that provides automated notification of the ER visit summary details for any claims lacking a current incident report in the DDS system. The dashboard will also include admissions, discharge and transfer (ADT) alert information from the ER encounter,

as well as the ER claims information. The dashboard will provide immediate notification and access to critical care coordination information to ensure proper monitoring, review and reporting is completed. The Department is currently reviewing the feasibility of an early 2027 launch date for the dashboard.

Recommendation #4

We recommend that the State agency and DDS work with providers to improve internal controls for criminal background and abuse and neglect registry checks, maintenance of records, and training.

State Response:

The state concurs with this recommendation. The Department is taking a multi-pronged approach to review qualified provider requirements and implement steps for improvements, specifically focusing on formal methods of communication and compliance monitoring.

DDS is revising the new provider orientation where all provider requirements, including staff criminal background, abuse and neglect registry checks, and training requirements are shared with a newly qualified provider. The revised orientation will communicate requirements through multiple formats, including but not limited to web-based trainings, in-person meetings and handouts. In addition, the Department is working to consolidate provider requirements, such as staff training requirements, into a streamlined policy and procedure. DDS believes this shift will improve comprehension and compliance with the requirements. DDS is also implementing improvements to the qualified provider purchase of service contract terms to better articulate and clarify record retention requirements.

The Department is continually focusing on tightening internal controls to ensure providers are held accountable when requirements are not followed. DDS has revised the format in which annual quality meetings with the providers are held, to standardize a review of quality metrics including staff training and requirements. Providers are also obligated to attest that such requirements are being met.

Specific to the OIG audit findings, DDS is individually following up with the five providers to ensure full compliance with all health and safety requirements.

In closing, the state would like to respectfully offer a clarification to page 2 of the draft report under the *Connecticut Medicaid Program and Comprehensive Supports Home and Community-Based Services Waiver* section. As written, the report notes that in Connecticut, the State agency oversees the Comprehensive Supports HCBS program, which operates under a federally approved 1915(c) waiver to its Medicaid State plan. This is accurate, however there are ten Medicaid Waivers offered in Connecticut with three operated through DDS. The Individualized Home Support service is available on two of the three DDS waivers, including the Comprehensive Supports Waiver and the Individualized Family Support Waiver.

Thank you for the opportunity to review and respond to the OIG draft report. The state, DSS and DDS have the shared goal of protecting the health and safety of individuals supported through DDS while maintaining the integrity of the Medicaid program. It is of the highest importance that the state continually work to ensure ongoing compliance with all state and federal requirements.

Thank you.

Elisa Velardo

Elisa Velardo
DDS Commissioner

Andrea Barton Reeves
DSS Commissioner

Cc:

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