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OFFICE OF INSPECTOR GENERAL
OFFICE OF AUDIT SERVICES
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PHILADELPHIA, PENNSYLVANIA 19106-3499

October 14, 2004

Report Number: A-03-03-00387

Regina V. K. Williams
City Manager
Office of the City Manager
1101 City Hall
810 Union Street
Norfolk, Virginia 23510

Dear Ms. Williams:

Enclosed are two copies of the Department of Health and Human Services, Office of Inspector General (OIG) final report entitled "Ryan White Title I Funds Claimed by the Children AIDS Network Designed for Interfaith Involvement, Inc. of the Norfolk Eligible Metropolitan Area During the Fiscal Year Ended February 28, 2002." A copy of this report will be forwarded to the HHS action official noted below for review and any action deemed necessary.

The action official will make final determination as to the actions taken on all matters reported. We request that you respond to the action official within 30 days from the date of this letter. Your response should present any comments or additional information that you believe may have a bearing on the final determination.

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Please refer to report number A-03-03-00387 in all correspondence.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen Virbitsky", with a long horizontal flourish extending to the right.

Stephen Virbitsky
Regional Inspector General
for Audit Services

Enclosures – as stated

Direct Reply to HHS Action Official:

Nancy J. McGinness
Director
Office of Financial Policy and Oversight
Health Resources and Services Administration
Parklawn Building, Room 11A-55
5600 Fishers Lane
Rockville, Maryland 20857

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**RYAN WHITE TITLE I FUNDS
CLAIMED BY THE CHILDREN AIDS
NETWORK DESIGNED FOR
INTERFAITH INVOLVEMENT, INC. OF
THE NORFOLK ELIGIBLE
METROPOLITAN AREA DURING THE
FISCAL YEAR ENDED
FEBRUARY 28, 2002**



OCTOBER 2004
A-03-03-00387

Office of Inspector General

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OAS FINDINGS AND OPINIONS

The designation of financial or management practices as questionable or a recommendation for the disallowance of costs incurred or claimed, as well as other conclusions and recommendations in this report, represent the findings and opinions of the HHS/OIG. Authorized officials of the HHS divisions will make final determination on these matters.



EXECUTIVE SUMMARY

BACKGROUND

Under the Ryan White Comprehensive AIDS Resources Emergency (CARE) Act, Title I, the Health Resources and Services Administration (HRSA) makes grants to eligible metropolitan areas (EMAs) for outpatient healthcare and related services to treat people living with HIV or AIDS. The CARE Act Title I program is the payor of last resort for persons who have limited insurance coverage or no other source of health care.

The City of Norfolk (Norfolk) EMA, established in 1999, received over \$4.7 million during fiscal year (FY) 2001, the period of our review, to provide CARE Act Title I services. On behalf of the Mayor of Norfolk, the Office of City Manager acts as the CARE Act Title I grantee. In this role, the Office of City Manager issued contracts totaling over \$171,337 to the Children's AIDS Network Designed for Interfaith Involvement, Inc. (CANDII) to provide persons with HIV/AIDS case management services, mental health treatment, transportation, emergency financial assistance, and housing assistance. CANDII is a local not-for-profit organization formed in April 1990 to improve the quality of life for children living with HIV/AIDS.

OBJECTIVES

In response to the U.S. Senate Committee on Finance's request that we examine the implementation of CARE Act Title I at the local level, we selectively conducted audits nationwide of EMAs and their contractors, including three in Norfolk. At CANDII, the subject of this report, our objectives were to determine:

- Did the Office of City Manager ensure that CANDII provided the expected **program services** to clients eligible for CARE Act Title I?
- Did the Office of City Manager ensure that CANDII followed Federal requirements for charging **program costs** to CARE Act Title I?

SUMMARY OF FINDINGS

CANDII and the Office of City Manager did not ensure that CANDII provided the expected level of services to eligible CARE Act Title I clients; and CANDII did not always follow Federal requirements for charging costs to the program. Specifically:

- CANDII billed the Office of City Manager for four categories of services but did not always have adequate documentation, as required by the CARE Act and the contract, to support the units of service it claimed were provided or the eligibility of clients served. In our audit tests, CANDII did not have documentation for 40 of the 112 service units we reviewed in detail. Regarding eligibility, 7 of 44 client files reviewed contained no documentation showing that CANDII verified either HIV status or financial eligibility.

- While CANDII generally followed Federal cost requirements for non-profit organizations issued by the Office of Management and Budget (OMB), we identified instances in which costs totaling \$6,645 were not allocable to the CARE Act Title I program.

Both CANDII and the Office of City Manager were accountable for these lapses:

- CANDII did not consistently follow the internal controls it had in place to ensure there was documentary evidence to support both the services it claimed and the eligibility of clients served. Also, in some isolated instances, CANDII did not follow OMB cost requirements in allocating costs it charged to the CARE Act Title I program.
- The Office of City Manager did not take steps to verify that CANDII's reported services and clients' eligibility were consistently documented.

Given these lapses, the Office of City Manager may have inappropriately disbursed Federal funds for services that CANDII either did not provide at all or provided to ineligible clients; and, in allocating \$6,645 of CARE Act Title I funds for charges unrelated to the program, CANDII reduced the funding available for needed services by the HIV/AIDS community in Norfolk.

RECOMMENDATIONS

We recommend that the Office of City Manager:

1. ensure that CANDII routinely follows its policies and procedures for maintaining adequate documentation to support the units of services it claims and the eligibility of clients served
2. refund \$6,645 to the Federal Government for the amount CANDII improperly charged to the CARE Act Title I program
3. require CANDII to develop and implement internal controls to ensure proper allocation of costs charged to the CARE Act Title I program

OFFICE OF CITY MANAGER COMMENTS

In a written response to the draft report, the Office of City Manager concurred with the findings and recommendations. The Office of City Manager cited actions it has already taken to address recommendation 1 and 3, as well as future actions it plans to take to further improve program performance. Regarding recommendation 2, in accordance with its contract with CANDII, the Office of City Manager has notified CANDII of its obligation to repay the \$6,645 that was improperly charged to the CARE Act Title I program.

OFFICE OF INSPECTOR GENERAL RESPONSE

The Office of City Manager's planned and implemented corrective actions meet the intent of the recommendations. We have included the Office of City Manager's written response to our draft report in its entirety as an appendix to this report.

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INTRODUCTION

BACKGROUND

Ryan White CARE Act, Title I

Within the Department of Health and Human Services, HRSA administers the CARE Act, enacted in 1990 and reauthorized in 1996 and 2000. The objective of CARE Act Title I is to improve access to comprehensive, high-quality, community-based medical care and support services for the HIV/AIDS community. To deliver services, HRSA awards grants to EMAs, which are urban areas disproportionately affected by the incidence of HIV/AIDS. The CARE Act Title I program is the payor of last resort for people with HIV/AIDS who have limited insurance coverage or no other source of health care.

HRSA makes grants to the local government's mayor or county executive, who, while remaining the steward of the Federal funding, usually gives the day-to-day program administration to the local health department, referred to by HRSA as the CARE Act grantee. Using service priorities established by the local CARE Act Title I planning council, the grantee contracts for health care and support services, including medical and dental care, prescription drugs, housing, transportation, counseling, home and hospice care, and case management.

The grantee is responsible for overseeing the service providers' performance and adherence to contractual obligations. The grantee is responsible for providing oversight through:

- **program monitoring**, to assess the quality and quantity of services provided
- **fiscal monitoring**, to ensure that contractors use the funds for approved purposes and in accordance with Federal, State, and local regulations and guidelines

If monitoring reveals problems, HRSA advises the grantee to offer the contractor technical assistance, or in serious cases, a corrective action plan. The CARE Act Title I manual states: "In an era of managed care and shrinking resources, it is in the EMA's [grantee's] best interest to know how well agencies function in spending and managing service dollars."

For FY 2001, HRSA funded 51 EMAs for \$604 million. From the enactment of CARE Act Title I through FY 2003, total Federal funding was \$5 billion.

Norfolk EMA

The Norfolk EMA comprises 15 city or county jurisdictions in the Greater Hampton Roads area of Virginia and the coastal county of Currituck, North Carolina, with 4,500 individuals living with HIV/AIDS. For FY 2001, HRSA awarded a CARE Act Title I

grant totaling over \$4.7 million to the Office of City Manager, which serves as the CARE Act Title I grantee for the EMA. The Office of City Manager provided services to the Greater Hampton Roads area by contracting with a local network of health departments, community health centers, and other social service organizations. In FY 2001, the Office of City Manager contracted with 28 agencies and institutions to provide program services.

CANDII

CANDII is a not-for-profit, community-based organization that provides access to medical, educational, developmental, social, financial, and mental health services for children with HIV/AIDS and their families. CANDII entered into five contracts with the Office of City Manager to provide case management, transportation, emergency financial assistance, mental health, and housing services. CANDII submitted monthly invoices to the Office of City Manager and was reimbursed based on these invoices.

The following table summarizes the amount awarded under each CARE Act Title I cost reimbursable contract:

TABLE 1 - SUMMARY OF CARE ACT TITLE I FUNDING AT CANDII

Contract	Amount
1 - Case Management	\$106,608
2 - Transportation	48,989
3 - Emergency Financial Assistance	13,150
4 - Mental Health	2,095
5 - Housing	495
Total	<u>\$171,337</u>

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

In response to the U.S. Senate Committee on Finance’s request that we examine the implementation of CARE Act Title I at the local level, we selectively conducted audits nationwide of EMAs and their contractors, including three in Norfolk. At CANDII, the subject of this report, our objectives were to determine:

- Did the Office of City Manager ensure that CANDII provided the expected **program services** to clients eligible for CARE Act Title I?
- Did the Office of City Manager ensure that CANDII followed Federal requirements for charging **program costs** to CARE Act Title I?

Scope

We audited four CARE Act Title I contracts¹ between CANDII and the Office of City Manager for a total of \$170,842 for FY 2001 (March 1, 2001 through February 28, 2002).

We selected CANDII, the Office of City Manager's seventh largest contractor, for audit based on our evaluation of program files and the type of services provided to CARE Act Title I clients.

We limited our reviews of internal controls at the Office of City Manager and CANDII to the procedures needed to accomplish our audit objectives. Meeting the objectives did not require a complete understanding or assessment of the internal control structure of either the Office of City Manager or CANDII. We performed our review intermittently from April through December 2003 at the Office of City Manager and CANDII in Norfolk, VA.

Methodology

To accomplish the audit objective, we performed audit procedures at the Office of City Manager and at CANDII.

At the Office of City Manager, we:

- interviewed officials responsible for program and fiscal monitoring
- interviewed planning council members and reviewed their curriculum vitae
- obtained a list of all contractors and amounts of funding
- reviewed contracts, quarterly progress reports, monthly reimbursement forms and related documents, and site visit reports for selected contractors

At CANDII, we:

- interviewed contractor officials
- reviewed the five contracts and budgets for CARE Act Title I
- compared quarterly progress reports to subsidiary records

¹ CANDII's funding for housing assistance totaled \$495 and extended only through April 2001. Therefore, we excluded CANDII's contract for housing assistance from detailed review.

- for the quarter with the highest reported level of service, traced from subsidiary records to client files
- selected 6 months of charges totaling \$86,474 claimed on monthly reimbursement forms and traced them to supporting documentation
- reviewed the independent auditor reports for the period October 1, 2000 through June 30, 2002

We conducted our review in accordance with generally accepted government auditing standards.

FINDINGS AND RECOMMENDATIONS

CANDII and the Office of City Manager did not ensure that CANDII provided the expected level of services to eligible CARE Act Title I clients; and CANDII did not always follow Federal requirements for charging costs to the program. Specifically:

- CANDII billed the Office of City Manager for four categories of services but did not always have adequate documentation, as required by the CARE Act and the contract, to support the units of service it claimed were provided or the eligibility of clients served. In our audit tests, CANDII did not have documentation for 40 of the 112 service units we reviewed in detail. Regarding eligibility, 7 of 44 client files reviewed contained no documentation showing that CANDII verified either HIV status or financial eligibility.
- While CANDII generally followed Federal cost requirements for non-profit organizations issued by OMB, we identified instances in which costs totaling \$6,645 were not allocable to the CARE Act Title I program.

Both CANDII and the Office of City Manager were accountable for these lapses:

- CANDII did not consistently follow the internal controls it had in place to ensure there was documentary evidence to support both the services it claimed and the eligibility of clients served. Also, in some isolated instances, CANDII did not follow OMB cost requirements in allocating costs it charged to the CARE Act Title I program.
- The Office of City Manager did not take steps to verify that CANDII's reported services and clients' eligibility were consistently documented.

Given these lapses, the Office of City Manager may have inappropriately disbursed Federal funds for services that CANDII either did not provide at all or provided to ineligible clients; and, in allocating \$6,645 of CARE Act Title I funds for charges unrelated to the program, CANDII reduced the funding available for needed services by the HIV/AIDS community in Norfolk.

SERVICE PROVISION AND CLIENT ELIGIBILITY WERE NOT ALWAYS ADEQUATELY DOCUMENTED

CANDII did not always have adequate documentation, as required by CARE Act Title I and the contract, to support the units of service it claimed were provided or the eligibility of clients. Both CANDII and the Office of City Manager were accountable for a lack of adequate documentation to support services provided and clients' eligibility for the CARE Act Title I program. CANDII did not follow its internal policies and procedures for documenting services provided to clients, or to support the clients' eligibility to receive services. The Office of City Manager did not take steps to verify that CANDII's reported services and clients' eligibility were consistently documented. Given these

service documentation and eligibility lapses, the Office of City Manager may have inappropriately disbursed Federal funds for services that CANDII did not provide at all or provided to ineligible clients.

Service Provision Requirements Spelled Out by Federal Law and the Contract between the Office of City Manager and CANDII

The CARE Act and CANDII’s contract with the Office of City Manager both specify the need to adequately document service provision and client eligibility.

Federal Requirements

The CARE Act, section 2604(f)(2) calls for grantees to monitor their contracts through, for example, telephone consultation, written documentation, or onsite visits. HRSA’s CARE Act Title I Manual, section II advises grantees to monitor contractor program performance by assessing the quality and quantity of services being provided. Such monitoring can include reviewing program reports, making site visits, and conducting client satisfaction surveys. In terms of eligibility, HRSA guidance, “Division of Service Systems Program Policy Guidance No. 1,” issued June 1, 2000, states that grantees are expected to establish and monitor procedures to ensure that all providers verify and document client eligibility.

CANDII’s Contract with the Office of City Manager

In its contract with the Office of City Manager, CANDII agreed to maintain documentation supporting that clients have HIV spectrum disease and are economically eligible, the latter of which must be reviewed annually. The contract also required that CANDII’s submissions for reimbursement include sufficient documentation to substantiate reimbursement allowability.

CANDII Did Not Always Adequately Document Service Provision or Client Eligibility

CANDII did not always have adequate documentation, as required by the CARE Act and the contract, to support the units of service it claimed were provided or the eligibility of clients.

In our tests of 112 service units that CANDII claimed were provided to 45 clients, there was no documentation to support 40 units—about 36 percent of the units of service tested—as follows:

RESULTS OF OIG AUDIT TEST OF SERVICE DOCUMENTATION

Service Category	Units Reviewed	Units Unsupported	Percent Unsupported
Mental Health	20	20	100.0
Transportation	30	15	50.0
Case Management	43	5	11.6
Emergency Financial Assistance	19	0	0
Total	112	40	35.7%

In our audit tests of 44 client files, 7 contained no documentation to support verification of HIV status or financial eligibility.

Lapses in CANDII’s Adherence to Documentation Procedures and the Office of City Manager’s Oversight

Both CANDII and the Office of City Manager were accountable for the lapses in documentation to support services provided and clients’ eligibility for the CARE Act Title I program.

CANDII did not always follow its internal policies and procedures for documenting services provided to clients, or to support the clients’ eligibility to receive services. According to CANDII officials, individual client files should contain progress notes recording the date, duration, and content of each service provided. To support eligibility, client files should also contain lab test reports or other medical records that confirm clients’ HIV status and documentation of their annual financial assessment. In explaining the documentation lapses, CANDII officials pointed out that the organization was under different management during our audit period. Its new management acknowledged that service and eligibility records were not well maintained in the past, but assured us that improvements have been made. Our limited review of client files from 2003 showed evidence of improved recordkeeping.

The Office of City Manager did not take steps to verify that CANDII’s reported services and clients’ eligibility were consistently documented. The Office of City Manager’s monitoring report of CANDII did not indicate that its site visit included a review of client files or charts. Officials in the Office of City Manager’s office confirmed that its site visit did not focus on client eligibility.

Office of City Manager May Have Inappropriately Disbursed Federal Funds

Given these service documentation and eligibility lapses, the Office of City Manager may have inappropriately disbursed Federal funds for services that CANDII did not provide at all or provided to ineligible clients.

CANDII IMPROPERLY ALLOCATED SOME COSTS TO CARE ACT TITLE I

While CANDII generally followed Federal cost requirements outlined by OMB in charging costs to the CARE Act Title I program, we identified instances in which costs totaling \$6,645 were not allocated according to OMB cost requirements. In allocating \$6,645 of CARE Act Title I funds for charges unrelated to the program, CANDII reduced the funding available to serve the HIV/AIDS community in Norfolk.

Federal Cost Requirements

Attachment A of OMB Circular A-122 (OMB A-122), “Cost Principles for Non-Profit Organizations,” requires that costs be adequately documented in order to be allowable charges to a Federal grant award. Paragraph A.4.a of this attachment specifically states that a cost is allocable to a Federal award in accordance with the relative benefits received. OMB A-122, Attachment B, Subparagraph 7.f (2) states that fringe benefits shall be distributed in a manner consistent with the pattern of benefits accruing to the individual or group of employees whose salaries and wages are chargeable to such grant awards or other activities.

CANDII Improperly Allocated Some Costs to CARE Act Title I

While CANDII generally followed OMB A-122 in charging costs to the CARE Act Title I program, we identified instances in which costs totaling \$6,645 were not allocated properly. CARE Act Title I program funding represented 51 percent of CANDII’s total funding; however, CANDII sometimes charged up to 100 percent of certain costs that also benefited other programs to the CARE Act Title I program. In our detailed review, we identified the following costs that were improperly allocated:

- \$3,048 for utilities and other costs
- \$1,916 for fringe benefits
- \$872 for supplies
- \$809 for equipment

CANDII Did Not Always Follow Federal Cost Requirements

CANDII did not always follow OMB cost requirements in allocating costs it charged to the CARE Act Title I program. Specifically, CANDII charged utility, supply, equipment, and other expenses at a rate higher than the relative benefits received, and claimed improper amounts for fringe benefits. Even though a consultant’s February 2002 site visit identified that CANDII did not have policies and procedures for cost allocations, at the time of our review CANDII still had not established procedures for properly allocating costs.

CARE Act Title I Funds Were Not Available for HIV/AIDS Services

In allocating \$6,645 of CARE Act Title I funds for charges unrelated to the program, CANDII reduced the funding available for needed services by the HIV/AIDS community in Norfolk.

Recommendations

We recommend that the Office of City Manager:

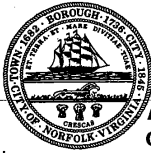
1. ensure that CANDII routinely follows its policies and procedures for maintaining adequate documentation to support the units of services it claims and the eligibility of clients served
2. refund \$6,645 to the Federal Government for the amount CANDII improperly charged to the CARE Act Title I program
3. require CANDII to develop and implement internal controls to ensure proper allocation of costs charged to the CARE Act Title I program

OFFICE OF CITY MANAGER COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE

In a written response to the draft report, the Office of City Manager concurred with the findings and recommendations. The Office of City Manager cited actions it has already taken to address recommendation 1 and 3, as well as future actions it plans to take to further improve program performance. Regarding recommendation 2, in accordance with its contract with CANDII, the Office of City Manager has notified CANDII of its obligation to repay the \$6,645 that was improperly charged to the CARE Act Title I program.

The Office of City Manager's planned and implemented corrective actions meet the intent of the recommendations. We have included the Office of City Manager's written response to our draft report in its entirety as an appendix to this report.

APPENDIX



**City of
Norfolk**

Office of the City Manager

September 30, 2004

Mr. Stephen Virbitsky
Regional Inspector General for Audit Services
Office of Inspector General
Office of Audit Services
150 S. Independence Mall West, Suite 316
Philadelphia, Pennsylvania 19106-3499

Re: Report Number A-03-03-00387

Dear Mr. Virbitsky:

We have reviewed the draft report regarding Ryan White Title I Funds claimed by the Children's Aids Network Designed for Interfaith Involvement, Inc. (CANDII). Our response to this draft report is attached.

Ms. Stacy Walls-Beegle, Executive Director for CANDII, was afforded the opportunity to review the report and to provide comments; many of her comments have been incorporated in our response.

We are looking forward to receiving your final report on this matter and request that you contact Dr. La Verne Parker Diggs at (757) 664-4242 should you require additional information.

Sincerely,


for Regina V.K. Williams
City Manager

Cc: Dr. La Verne Parker Diggs

Attachment

**City of Norfolk Response to
Department of Health and Human Services
Office of Inspector General**

During the 30 day response period the Office of The City Manager met with the provider (CANDII) to discuss the findings and recommendations detailed in this report. In the text that follows, each summary finding and recommendation is restated and our comments follow.

FINDINGS

SERVICE PROVISION AND CLIENT ELIGIBILITY WERE NOT ALWAYS ADEQUATELY DOCUMENTED

Comments: The Office of the City Manager concurs with this finding.

CANDII underwent a major administration change September 2001. The previous executive director separated from the agency in May 2001. There was an interim executive director from May 2001-September 2001. In September 2001, a new executive director was hired who had experience with CARE Act documentation and implementation. New processes were developed and implemented for the agency. The OIG reviewers did note an improvement in documentation processes since March 2002.

CANDII IMPROPERLY ALLOCATED SOME COSTS TO CARE ACT TITLE I

Comments: The Office of the City Manager concurs with this finding.

RECOMMENDATIONS:

The OIG report recommends that the Office of the City Manager:

1. *Ensure that CANDII routinely follows its policies and procedures for maintaining adequate documentation to support the units of services it claims and the eligibility of clients served*

Comments: The office of the City Manager concurs with this recommendation.

Since February 2002, the Office of the City Manager has coordinated two site visits and a quality management chart audit for CANDII. As a result of these activities improvement is noted in the areas of service provision, eligibility and documentation.

To address this recommendation the following activities occurred prior to the receipt of this draft report.

-
- CANDII requested and was provided technical assistance to address deficiencies identified in the FY01 site visit report.
 - The Office of the City Manager coordinated case management training for all EMA case management providers throughout the EMA. Case management staff at CANDII participated in this training.
 - Since the time period that was audited, CANDII has developed and implemented program policies and procedures that specify required documentation of service units provided and eligibility determination. As part of their quality management process internal chart reviews are conducted quarterly and the results are submitted to the Office of the City Manager.

2. *Refund \$6,645 to the Federal government for the amount CANDII improperly charged to the CARE Act Title I program*

Comments: The Office of the City Manager concurs with this recommendation.

OMB Circular A-122 and A-110 provides authority on cost principles for the proper allocations of costs and administrative requirements for federally funded programs. All providers agree to abide by the applicable OMB circulars upon certification of contract agreements. Additionally, contract agreements with the City of Norfolk provide that in the event of disallowance by an outside auditor the provider will be responsible for reimbursing the disallowed expenditures. Accordingly, CANDII has been notified of its obligation to repay the amount listed above.

3. *Require CANDII to develop and implement internal controls to ensure proper allocation of costs charged to the CARE Act Title I program.*

Comments: The Office of the City Manager concurs with this recommendation.

Prior to the presentation of this report the actions listed below have been implemented:

- The Office of the City Manager provided technical assistance to CANDII, to develop fiscal policies and procedures, budgeting techniques, and allocation of costs.
- Policies and procedures have been approved and adopted by the Board of Directors.

Future Actions:

The Office of the City Manager has the following activities planned to address the findings and recommendation identified in this report.

1. As part of the EMA's Quality Management activities, Case Management chart audits are scheduled to occur in November and December 2004. These audits will focus on quality of care, clinical outcomes, trends across service categories and documentation requirements. CANDII will participate in these reviews.
2. In addition to monthly programmatic and fiscal monitoring by the Office of the City Manager, CANDII will participate in semi-annual site visits to verify documentation to support the units of service reported and eligibility of clients served. The first of these site visits occurs prior to the end of fiscal year 2004 and the second will occur six months later.
3. The Office of the City Manager may offer additional technical assistance as necessary or required.
4. The Office of the City Manager will continue to monitor the overall performance of CANDII as a Ryan White Title I provider and recommend corrective actions as necessary.

The Office of the City Manager acknowledges that significant progress has been made on most of the recommendations contain in HHS/OIG report A-03-03-00387 prior to receipt. Given this information, it is anticipated that the additional actions outlined in our response will serve as a catalyst to improve our performance as a Ryan White Title I EMA.

ACKNOWLEDGMENTS

This report was prepared under the direction of Stephen Virbitsky, Regional Inspector General for Audit Services. Other principal Office of Audit Services staff who contributed includes:

Christine Allen, *Audit Manager*

Dan Spears, *Senior Auditor/Auditor-In-Charge*

Nasr Fahmy, *Senior Auditor/Auditor-In-Charge*

Zhichu Charles Yao, *Auditor*