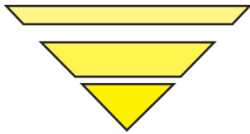


DIVISION OF
**DEVELOPMENTAL
DISABILITIES**



Division Directive Number
5.070
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Bernard Simons

Bernard Simons, Director

Title: Fiscal Review

Applies to: Division of Developmental Disability (Division of DD) Regional Offices and contract providers that: 1) Manage benefits and other funds for individuals who are in service with the Division of DD; and/or 2) Receive reimbursement for services prior authorized by the Division of DD that are funded by the Department of Mental Health's Purchase of Service (POS) system or MO HealthNet (Medicaid waiver programs and services).

Purpose: 1) Ensure all benefits and other individuals' funds managed by a Regional Office or contract provider are appropriately utilized to meet the needs, wants, and desires of the individual; and 2) Ensure services authorized and funds reimbursed to Regional Offices and contract providers are provided and reimbursed in accordance with the service requirements.

Definitions:

Action Plan Tracking System (APTS): A database utilized by the Regional Offices designed to track issues requiring resolution as well as positive practices that are identified through Provider Relations and/or Quality Enhancement functions. Issues tracked will be identified through indicators categorized by health, safety, rights, services, and money, in addition to the Missouri Quality Outcomes.

Adequate Documentation: Documentation from which services rendered in the amount of reimbursement received by the contract provider can be readily discerned and verified with reasonable certainty, as referenced in Section 13.10 of the DD Waiver Manual and MO Code of State Regulations, 13 CSR 70-3.030(2).(A.)

Ancillary Cost: Supplemental money above personal spending and room and board for a service or expense that is included in the individual's personal plan but is not part of the residential contractor's per-diem base rate and is not funded in another manner (e.g., diabetic diet). The ancillary service is time-limited and may be adjusted or terminated as per the terms of the contract provider's DMH POS contract.

Available Funds: Funds remaining in the Individual's Personal Fund account or Individual Specific Treatment/Service Fund account after actual expenditures and encumbered funds (future planned expenditures) are subtracted.

Individual Personal Funds: Funds from all sources that belong to an individual who is eligible for Division of DD services and receives residential services through the Division. Such funds are held in trust for the individual by a Division of DD Regional Office or a Division of DD residential contract provider.

Funds may be from a federal or state benefit such as SSI or SSA, net wages, gifts of money, or other cash or checks received by the individual.

Individual Specific Treatment/Service Funds: Money from all sources authorized to fund the Supported Community Living (SCL) residential budget plan for room and board costs that are held in a separate account from individual personal funds and from contractor funds. Funds may originate from Department of Social Services, Social Security Administration, Department of Housing and Urban Development, Department of Mental Health, the individual, the individual's conservator and other sources. These funds are used to reduce the amount payable on a dollar-for-dollar basis by a Regional Office for an individual's care and treatment.

Contract Provider: An agency or an individual that enters into a contract with the Department of Mental Health - Division of Developmental Disabilities, to provide direct or indirect services, to individuals served by the Division of Developmental Disabilities.

Customer Information Management, Outcomes, and Reporting Event Management Tracking (CIMOR EMT) System: A Department database which contains information from event reports as required by 9 CSR 10-5.206. This database is also used to collect information on incidents meeting pre-specified severity criteria or investigations of abuse, neglect and/or misuse of individual's funds.

Encumbered Funds: Funds in the Individual Personal Fund or Individual Specific Treatment/Service Fund accounts that are reserved or set-aside to cover a planned future expenditure. Some examples include but are not limited to accumulation of funds to purchase a coat at the end of the month, accumulation of funds to pay a fee to attend a social event at the end of the month or accumulation and reserving funds to make a monthly payment for room and board, rent, or utilities.

Indicator: A key value or quality characteristic used to measure, over time, the performance, processes, and outcomes of an organization or some component of service delivery.

Issue: A point, matter, concern or question in regards to the health, safety and/or rights of an individual. A critical issue is where the health, safety and/or rights of an individual are in jeopardy.

NAFS Account (Non-Appropriated Funds): An account that manages the individual's personal funds or individual specific treatment/service funds when the Regional Office is the payee or the individual is considered to be in community placement. The benefit amount of this account is used towards room, board, and personal spending each month. When there are excess funds in the account, the money can be used to cover the cost of care or can be approved to be used for other spending.

Outcome: The result of action to be taken, as outlined in a plan that resolves **issues**, prevents reoccurrence, and increases opportunities for improvement in the TCM delivery system and implementation of the Missouri Quality Outcomes.

Personal Spending: The amount of money determined by the individual and the treatment team that is set aside from the individual's monthly benefit check for the individual's personal needs. Social Security Administration requires the monthly amount be no less than \$30.00 per month. These funds are set aside from the individual's benefit check to be used for minor purchases needed for the individual to maintain an interest in life, to keep up personal appearance, to facilitate socialization, or to participate in recreation. Such purchases are outside of items that are the responsibility of the residential provider.

Primary Regional Office: The facility responsible to coordinate and facilitate the annual provider meeting when the provider, who serves multiple regions, serves the greatest number of people in that facility's region.

Provider Relations: The Regional Office unit responsible for provider development to enhance the capacity for the provision of supports and services. In addition, the staff will provide technical assistance and monitoring, allocate resources, and provide management of the contracts with providers of supports and services.

Provider Technical Assistance: Provide information, training, and consultation to entities providing supports and services to persons with developmental disabilities and their families. In addition, contact with agencies regarding administrative and individual needs, such as administrative and staff changes.

Quality Enhancement Function: A process to monitor and affect services being provided, focusing upon health and welfare of individuals, meeting their needs and supporting them to achieve personal goals as outlined in Division Directive [4.080 - Integrating Quality Functions](#).

Site: Location where provider documentation is maintained. The site could be in the individual's residence, **site** of delivered service, or the provider's administrative office.

Fiscal Review Process:

The fiscal review process is an annual compliance review for each Fiscal Year (July-June) by assigned Regional Office fiscal staff and/or Division of DD Central Office Fiscal Compliance staff to ensure individual funds managed by a Regional Office or a contract provider are being managed according to state guidelines and to ensure services authorized for individuals served by the Division are being provided and reimbursed to contract providers and state providers according to service requirements. When a contract provider manages benefits and also provides services, the fiscal review will normally be conducted during the same monitoring visit. When a contract provider manages benefits and or provides services within more than one Division of DD Regional Office delivery area, the primary Regional Office will conduct the review unless the contract provider and Division agree another office shall do the review.

Fiscal Review Sample:

The sample size for the Fiscal Review of individual funds managed by a Regional Office or a contract provider and Fiscal Review of services authorized for individuals served by the Division delivered by a contract provider or state provider shall be determined by the same methodology. Fiscal Review staff will randomly select a sample of 5% of the average number of DMH funded individuals the contract provider or state provider serves in the current fiscal year or 5% of the average number of individuals for whom the contract provider or Regional Office manages personal funds during the current fiscal year. If a 5% sample

will result in the review of 5 or fewer individuals, then the sample will be lesser of 5 individuals or 100% of individuals served.

I. INDIVIDUAL FUND REVIEW PROCEDURE

As required in Part II of the POS contract, when a Division of DD Regional Office is payee of benefits, contract providers are required to report to the Regional Office at least quarterly, the account balance(s) for each individual for whom the contractor holds funds in trust. In addition, during the Fiscal Review, the balance of any and all Individual fund accounts held by contract providers or by Regional Offices in NAFS accounts for the individual in the sample shall be reviewed. This includes funds from all sources that belong to an individual such as but not limited to wages, gifts, state or federal benefits, funds for personal spending or Supported Community Living (SCL) expenses, etc. Money authorized and funded in the Individualized Supported Living residential budget plan for room and board costs shall also be held separate from contractor funds.

The on-site review will include at a minimum, 3 months (one quarter) of individual records reviewing the following items:

1. Identify who is responsible for handling the individual funds, i.e., who can sign the checks.
2. Identify all accounts in the individual's name.
3. Ensure ledger sheets show all deposits, expenditures, and beginning and ending balances.
4. Ensure individual funds are not commingled with contract provider funds and ensure separate ledgers are maintained for each individual. This includes individual ledgers/accounts for any funds held by the contract provider for Supported Community Living (SCL) residential budgets for room and board costs.
5. Ensure individual fund available balances maintained by the provider do not exceed \$200 unless the provider is the representative payee in which case the individual's balance shall not exceed \$999, or if the individual's plan has been amended to allow a larger balance due to a temporary arrangement (i.e., saving for a vacation).
6. Account for cash on hand and identify who has access to the cash.
7. Ensure deposits are made within 5 days of receipt of funds.
8. Ensure individual's bank accounts have been reconciled monthly.
9. Ensure receipts or documentation exists for all expenditures over \$10 for items purchased through personal spending money, including wages. Ensure individual cash withdrawals are initialed by the individual. If individual is unable to initial, there must be evidence of agency accountability, i.e., ledger is initialed by accountable staff and/or receipts are available for the cash that was disbursed.
10. Ensure evidence (receipt, invoice, etc.) is present for SCL funds for room & board expenditures.
11. Determine if funds were used for the purposes for which they were received, for example, funds sent for approved room and board costs are used only for approved room and board costs.
12. Ensure any available funds have been returned to the Regional Office within 30 days after the death or transfer of an individual if the Regional Office is the payee of benefits.
13. Any individual property purchase of \$100.00 or more shall not be made without the written permission/approval of the authorizing Targeted Case Management (TCM) entity. The approval documentation shall be maintained by the contracted provider and shall be available during the on-site fiscal review.
14. Ensure funds appropriated for ongoing ancillary costs have no more than two months accumulation.

15. Ensure the contract provider has not charged the individual's personal funds for any expenses which the contractor is obligated to provide by contract or for items or services not clearly set out in 9 CSR 25-5.010 ([Chapter 5](#)).
16. Ensure auditable records are provided by the contract provider for all activities performed under the contract (this includes records of deposits, expenditure details, running balances, etc.) This should be reviewed for accuracy and completeness and compared to funding provided.

II. INDIVIDUAL SERVICE FISCAL REVIEW PROCEDURE

The on-site compliance review of services will include a review of individual service records for a minimum of 3 months (one quarter) for individuals in the sample to determine if adequate documentation exists to assure that services were delivered and reimbursed appropriately. This on-site review will include but is not limited to the following:

1. Ensuring services were provided in accordance with the DMH Contract and service definition requirements.
 - a. Includes reviewing a summary of total hours authorized and qualifications of personnel providing those hours per individuals in comparison with required qualifications for personnel per the service definition.
2. Review of the documentation to determine if the service delivered matches with the services that were authorized.
3. Review of documentation to ensure it supports the units paid.

III. PROCESS FOR IDENTIFICATION, COMMUNICATION, AND RESOLUTION OF ISSUES

At the conclusion of the Fiscal Review of Individual Funds and/or Individual Services, Fiscal Review staff will conduct an exit conference with contract provider staff designated by the contractor's executive officer to summarize the findings. Within 10 business days of the on-site review, the Fiscal Review staff shall prepare a written report outlining positive findings, recommendations for improvement, and/or requests for corrective action along with timelines when corrective action is needed.

The report shall be sent to: the Contract Provider, Regional Director, Assistant Director of Administration, Assistant Director Habilitation, Quality Enhancement Supervisor, Contract Monitoring Coordinator, Provider Relations Lead, Service Coordination Supervisor(s) and, when applicable, a copy is forwarded to the billing staff/account clerks at the Regional Office. The contract provider shall have 10 business days to appeal any findings to the Regional Director. The Regional Director shall respond in writing to the appeal request. Regional Office staff will enter findings into the database at the conclusion of the review.

The Regional Office may expand the fiscal review if the review results in one or more of the following:

- multiple accounting issues;
- reoccurring accounting/contractual/legal issues; and/or
- accounting issues from other quality functions.

If issues of theft or fraudulent billing are suspected, the Regional Director shall notify the Deputy Director of DD or Assistant Director of DD. The Regional Director may notify the Deputy Director of DD or Assistant Director of DD if there is a trend of non-compliance with the contract or service requirements. Any referrals for additional work to be conducted by the Central Office Audit Services staff must be approved by the Deputy Director of DD or Assistant Director of DD.

When a finding requires the recoupment of funds, the Fiscal Review staff will work with the Regional Office business office staff to initiate the recoupment and ensure the process is accurately completed. Fiscal Review staff and/or business office staff are responsible for providing technical assistance to the provider as needed on issues specifically related to financial management such as ledgers not balancing, negative balances, billings not matching services performed, agency staff qualifications, and background screenings. When other corrective action is requested that is the responsibility of the Provider Relations Unit (per Division Directive [4.090 - Provider Relations Policy](#)), such as staff training, education, qualifications or quality of documentation; the Provider Relations Unit will monitor the timeline for completing the correction with the contract provider and shall provide technical assistance when required or requested. Regional Office staff will update the database as needed for concerns or positive attributes identified from the review. All written reports will be entered in the provider's record.

The Regional Office will combine the issues/concerns identified through the Fiscal Reviews with issues/concerns from a variety of quality enhancement functions (*i.e.*, *Service Monitoring, Nursing Reviews, Incident Reporting, Personal Plan Reviews, etc.*) including positive outcomes as outlined in the Missouri Quality Outcomes document. This is the basis for the development of provider plans according to the Division Directive [4.080 - Integrating Quality Functions](#).

The Division's State Quality Enhancement (QE) Unit shall include information resulting from Fiscal Reviews that is reported by regional office QE staff in the Division of DD's quarterly report to MO HealthNet and annual Quality Enhancement Report. The annual report includes quality enhancement and improvement recommendations to address patterns, trends and systematic issues identified through the annual analysis of all quality functions.

Authority:

9 CSR 25-5.010 <http://www.sos.mo.gov/adrules/csr/current/9csr/9c25-5.pdf>

Division Directive [4.080 - Integrating Quality Functions](#)

Division Directive [4.090 - Provider Relations Policy](#)

DMH Contract Part II Scope of Work

Documents Outlining Process (new DD website address to be added in near future)

Medicaid Waiver Manual <http://dmh.mo.gov/dd/manuals/waivermanuals.htm>