



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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J. TYLER McCAULEY
AUDITOR-CONTROLLER

May 23, 2005

TO: Supervisor Gloria Molina, Chair
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley 
Auditor-Controller

SUBJECT: **THE ALMANSOR CENTER CONTRACT REVIEW**

We have completed a contract compliance review of The Almansor Center (Agency), a Department of Mental Health Services (DMH) service provider. It included a review of the Agency's billings to DMH for May and June 2004. This review was conducted by the Auditor-Controller's Countywide Contract Monitoring Division.

Background

The Department of Mental Health (DMH) contracts with The Almansor Center, a private, non-profit, community-based organization, which provides services to children and their parent(s) who reside in Mental Health Service Planning Area (SPA) Three. Services include interviewing program participants, assessing their mental health needs, and developing and implementing a treatment plan. Our review focused on the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) service, which is Medi-Cal's comprehensive and preventive child health program for individuals under the age of 21. The Almansor Center's EPSDT billable services include Mental Health Services, Medication Support Services, Targeted Case Management Services, and Crisis Intervention Services. The Almansor Center's headquarters is located in the Fifth District.

For our review period, DMH paid The Almansor Center between \$1.66 and \$3.52 per minute of staff time (\$99.60 and \$211.20 per hour). For Fiscal Year 2003-04, DMH paid The Almansor Center approximately \$5 million in EPSDT funds.

"To Enrich Lives Through Effective and Caring Service"

Purpose/Methodology

The purpose of the review was to determine whether The Almansor Center was providing the services outlined in their contract with the County. We also evaluated whether the Agency achieved planned service and staffing levels. Our monitoring visit included a review of a sample of The Almansor Center's billings, participant charts, and personnel and payroll records. We also interviewed staff from The Almansor Center and interviewed a sample of the participants' parents or legal guardians.

Results of Review

Generally, The Almansor Center provided the services outlined in the County contract. The participants' parent or legal guardian interviewed stated the program services met their expectations. We also determined that participants were eligible to receive services.

The Agency insufficiently documented 2,186 (22%) of the 9,774 service minutes sampled. For example, for 1,170 minutes of the 9,774 service minutes sampled, the Agency billed DMH for Targeted Case Management Services but the documentation used to support the billings did not describe the type of placement, consultation, and/or linkage, as required by the County contract. The insufficiently documented billings totaled \$3,861.

For 957 minutes sampled, the Agency did not appropriately file the documentation to support the billings in the program participants' charts. In addition, for 497 minutes sampled, the Agency billed DMH using a rate higher than the contract allows.

We recommend that The Almansor Center maintain sufficient documentation to support all billings to DMH and repay DMH for the amounts over-billed. We also recommend that The Almansor Center appropriately file the program participants' progress notes in their charts as required by the County contract. We have attached the details of our contract compliance review, along with a recommendation for corrective action.

Review of Report

On January 11, 2005, we discussed the results of our review with The Almansor Center. In their attached response, The Almansor Center indicated that they have implemented procedural changes to address the findings and recommendations in our report. Their response also states that in the past the State or DMH has never requested corrective action in these areas. It should be noted that the review was performed based on the requirements identified in the contract between the County and The Almansor Center.

We thank The Almansor Center management for their cooperation and assistance during this review. Please call me if you have any questions, or your staff may contact Don Chadwick at (626) 293-1102.

JTM:MMO:DC

Attachment

c: David E. Janssen, Chief Administrative Officer
Dr. Marvin J. Southard, Director, Department of Mental Health
Edwin R. Shrader, Clinical Director, The Almansor Center
Public Information Office
Audit Committee

**COUNTYWIDE CONTRACT MONITORING REVIEW
EARLY AND PERIODIC SCREENING, DIAGNOSTIC, AND TREATMENT SERVICE
FISCAL YEAR 2004-2005
THE ALMANSOR CENTER**

BILLED SERVICES

Objective

Determine whether The Almansor Center provided the services billed in accordance with their contract with DMH.

Verification

We selected 9,774 minutes from 490,897 service minutes that The Almansor Center billed DMH for May and June 2004 and reviewed the progress notes maintained in each client's chart. The review was performed to ensure that the Agency met the documentation requirements of the contract and that the billing rates used by the contractor were appropriate. We also sampled an additional 5,512 (15,286 in total) service minutes billed by The Almansor Center and reconciled the minutes to the progress notes supporting the services billed. The 15,286 minutes represent services provided to 51 program participants as reported by the Agency.

Results

The Agency insufficiently documented 2,186 (22%) of the 9,774 service minutes sampled. The insufficiently documented billings totaled \$3,861. For example, we noted the following:

- For 1,170 (12%) of the 9,774 minutes sampled, the Agency billed for Targeted Case Management Services but the progress notes did not describe the type of placement, consultation, and/or linkage, as required by the County contract.
- For 790 (8%) of the 9,774 minutes sampled, the Agency billed for Mental Health Services but the progress notes did not describe what the client or service staff attempted and/or accomplished towards the client's goal(s), as required by the County contract.
- For 706 (7%) of the 9,774 minutes sampled, the Agency billed for more than one staff present during an intervention but the progress notes did not describe the specific contribution of each staff person, as required by the County contract.

The total number of insufficiently documented minutes cited above exceeded 2,186 because some of the progress notes contained more than one deficiency.

In addition, the Agency did not always file the program participants' progress notes, in the program participants' charts. The progress notes support the Agency's billings to DMH. For 957 (6%) of the 15,286 minutes sampled the progress notes were not filed in the participants' charts. The Agency subsequently provided the progress notes to support these billings.

The Agency also over-billed DMH using the incorrect billing rates and did not have documentation to support 55 minutes in billings. For 497 (5%) of the 9,774 service minutes sampled, the Agency provided Mental Health Services with a reimbursement rate of \$1.86 per minute, but billed DMH using the higher Crisis Intervention rate of \$2.49 per minute. The amount of the over-billings totaled \$507.

Recommendations

The Almansor Center management:

- 1. Maintain sufficient documentation to support services provided as required by the County contract.**
- 2. Ensure that staff maintain the progress notes in the participants' charts as required by the County contract.**
- 3. Use the appropriate rates to bill DMH and repay DMH for the amounts over-billed.**

CLIENT VERIFICATION

Objectives

Determine whether the program participants actually received the services that The Almansor Center billed DMH and whether participants were eligible to receive services.

Verification

We selected a sample of 10 program participants and interviewed their parent or legal guardian to confirm that the participants are clients of The Almansor Center and that they received the services that the Agency billed DMH. We also reviewed documentation in the participant charts to determine whether participants were eligible to receive services.

Results

Each parent or guardian indicated that his or her child was a client of The Almansor Center, and was satisfied with the services that the Agency provided to their children. In addition, documentation in the chart supported the participants' eligibility. We were unable to interview two participants' parents. One parent did not wish to participate in

our interview. The telephone number listed in the chart for the second parent was not a working number. Agency management indicated that the family recently moved without leaving a forwarding number and the participant is no longer a client of the Agency.

Recommendation

There are no recommendations for this section.

STAFFING LEVELS

Objective

Determine whether the staffing ratio requirements are consistent with the ratio requirements indicated in the County contract.

Verification

We compared the budgeted staff indicated in the contract with the current staff schedule, labor distribution report, and timecards.

Results

The Almansor Center's actual staffing levels were consistent with the budgeted staffing levels in the contract.

Recommendation

There are no recommendations for this section.

STAFFING QUALIFICATIONS

Objective

Determine whether The Almansor Center's 43 treatment staff met the qualifications required by the DMH contract.

Verification

We reviewed the personnel files of 10 treatment staff for documentation confirming their qualifications. In addition, we reviewed the qualifications of each staff person that performed the service in our sample of billed services.

Results

Each staff sampled possessed the required education, work experience, and licenses identified in DMH's contract.

Recommendation

There are no recommendations for this section.

SERVICE LEVELS

Objective

Determine whether The Almansor Center's reported service levels for Fiscal Year (FY) 2003-04 did not significantly vary from the service levels identified in the DMH contract.

Verification

We obtained a report of EPSDT billings from the State Explanation of Balances data for FY 2003-04 and compared it with the Agency's total EPSDT contracted service levels identified in the contract for the same period.

Results

The Agency actual service levels did not significantly vary from its contracted service levels. For FY 2003-04, the Agency's contracted service levels for EPSDT funded services were approximately \$5 million and the actual EPSDT services paid was approximately \$5 million.

Recommendation

There are no recommendations for this section.



April 29, 2005

J. Tyler McCauley
Auditor-Controller
County of Los Angeles
Department of the Auditor-Controller
500 West Temple Street, Room 525
Los Angeles, CA 90012

Re: Response to Contract Review

Dear Mr. McCauley:

This is in response to the report of our contract review conducted in October of 2004 and covering client services during May and June of 2004. Our response is in regards to the following areas:

Supporting documentation: Our mental health services and targeted case management notes did verify the applicable services were provided to the clients. Regarding the Auditor-Controller Reviewer's finding that the targeted case management notes did not describe the type of placement, consultation, and/or linkage, this has never been requested in prior State or County DMH reviews or audits.

Regarding the Auditor-Controller Reviewer's finding that the mental health services progress note did not describe what the client or service staff attempted and/or accomplished towards the client's goal(s), this has never been requested in prior State or County DMH reviews or audits.

Regarding the Auditor-Controller Reviewer's finding that the progress note did not describe the specific contribution of each staff person, this has never been requested in prior State or County DMH reviews or audits.

Regarding the Auditor-Controller Reviewer's finding that the Almansor Staff did not appropriately file the participants' progress note in their case file, this has never been requested in prior State or County DMH reviews or audits.

Since the Auditor-Controller's review we have reviewed, modified, and intensified our documentation requirements, our auditing policies and procedures as well as intensified our client record review process.

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Overbilling: All identified overbilling will be reimbursed back to DMH for the amounts overbilled. We have intensified our billing and auditing procedures, specifically to address overbilling issues.

In summary, this review was helpful in identifying some billing errors and opportunities to improve our documentation of services. On behalf of the Almanson Staff, I wish to thank the reviewers for their time and the collaborative and professional manner in which they worked with us during and after the review.

Sincerely,

A handwritten signature in cursive script that reads "Edwin R. Shrader, MFT".

Edwin R. Shrader, MFT
Clinical Director