



OFFICE OF THE STATE AUDITOR



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COMMUNITY-CENTERED BOARDS FACE SYSTEMIC PROBLEMS WITH CASE MANAGEMENT SERVICES AND BILLING

DENVER—the Colorado Office of the State Auditor (OSA) has released its performance audit of Colorado’s 20 Community-Centered Boards (CCBs). Under state law, the non-profit organizations that have chosen to serve as CCBs administer federal and state programs for individuals with intellectual and developmental disabilities through contracts with the Department of Health Care Policy and Financing (Department). Auditors found problems with case management services and billing at all 20 CCBs, and made at least two recommendations to each of them.

Senate Bill 16-038 gave the OSA special authority to audit these non-profit organizations as long as they receive more than 75% of their funding from government sources for these programs—around \$200 Million in Fiscal Year 2017. During that year, the 20 CCBs served more than 12,000 adults and children under the three federal Medicaid waiver programs for people with intellectual and developmental disabilities, and 782 people under the State Supported Living Services program. These programs are meant to serve recipients in their community so they remain independent and outside of an institution.

For the three federal programs, auditors estimated that the CCBs did not conduct 11–15% of required in-person monitoring visits. Without these visits,

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CCBs are less likely to notice when a recipient's needs are not being met and there is less assurance that the person is healthy and safe.

When auditors looked at the state program, they found that 19 of the 20 CCBs did not meet basic state requirements for case management. This included not monitoring the services that were being provided to recipients, not updating their Service Plans, and not documenting case management activities. Auditors also found instances where some program recipients were not receiving the services outlined in their Service Plans, which could put their health, safety, and ability to remain independent at risk.

In addition, the Department had been requiring the CCBs to return program funds to the State to accumulate in a cash fund, rather than allowing CCBs to use the money for individuals enrolled in the state program with unmet needs or for anyone on the program waitlist. The returned funds amounted to \$2.5 Million over 3 years—about 14% of the program funds.

When auditors looked at how the CCBs billed the State for services, they found more than \$790,000 in costs that did not follow federal and state requirements. Auditors found multiple instances where CCBs billed, and the Department paid, for claims that did not have supporting documents, as required by federal law, or that exceeded Department caps.

In addition, auditors found 202 instances in which CCB billing for case management services to the State totaled 24 hours or more in a single day, which was not only unfeasible but unreasonable. The Department has not set a limit on the daily amount of hours that can be billed, and the audit also found that some CCBs billed for another 2,800 instances of providing 12 hours or more in a single day. This may be inflating the costs of programs because when the Department set the payment rate, it assumed CCBs would bill for an average of 7 hours per case manager, per day.

Auditors also found systemic statewide issues that the Department of Health Care Policy and Financing directly needs to address in order to fix. The Department needs better statewide guidance on case management and billing and better database systems to make sure CCB bills are supported and accurate. The Department also needs to improve how it allocates funds to the state program to avoid having money accumulate in a cash fund while there are unmet recipient needs and waitlists for this program.

The audit makes 13 recommendations.

The full report is available @ www.colorado.gov/auditor.

Under the direction of the state auditor, the OSA is the state's nonpartisan, independent external auditor with broad authority to audit state agencies, departments, institutions of higher education, and the Judicial and Legislative Branches. The OSA's professional staff serve the people of Colorado by addressing relevant public issues through high-quality, objective audits and reviews that promote accountability and positive change in government. Performance audits address whether programs operate in compliance with laws and regulations and in a manner that accomplishes intended program goals. Financial audits include annual audits of the state's basic financial statements and federal grants on a statewide level. IT audits review procedures and technology to ensure the confidentiality, integrity and availability of the state's critical computer systems and taxpayer data. The OSA also tracks about 4,000 Colorado local governments for compliance with the Local Government Audit Law.