



**State of Florida
Department of Children and Families**

Rick Scott
Governor

Mike Carroll
Secretary

March 27, 2017

Christina Smith, Director
Florida Department of Financial Services
Division of Accounting and Auditing
200 East Gaines Street
Tallahassee, FL 32399-0353

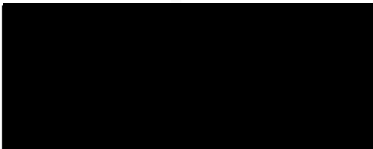
Dear Ms. Smith:

Please find enclosed a Corrective Action Plan (CAP) in response to the findings and recommendations of your review of the selected Department of Children and Families' contracts and grants active January 1, 2015, through August 30, 2016, and related management activities. This CAP, which aligns with the findings in your report, will ensure an effective contracting process and provide value to the state.

If you have any questions regarding our response or require additional information, please contact Christopher Meadows, Director, Contracted Client Services, at (850) 487-9992.

If I may be of further assistance, please let me know.

Sincerely,



Mike Carroll
Secretary

Enclosures

cc: Melinda Miguel, Chief Inspector General
Mark Merry, Chief, Bureau of Auditing, DFS
Christopher Meadows, Director, Contracted Client Services

1317 Winewood Boulevard, Tallahassee, Florida 32399-0700

Mission: Work in Partnership with Local Communities to Protect the Vulnerable, Promote Strong and Economically Self-Sufficient Families, and Advance Personal and Family Recovery and Resiliency

Corrective Action Plan
SELECTED DEPARTMENT OF CHILDREN AND FAMILIES
AUDIT OF CONTRACTS AND GRANTS
ACTIVE JANUARY 1, 2015 THROUGH AUGUST 30, 2016
AND RELATED MANAGEMENT ACTIVITIES

Contract/Grant Agreement

Cost Analysis

Children's Forum – The Department will use the approved Department of financial Services (DFS) format for a cost analysis using dollar amounts contained in the provider's original budget and place the cost analysis in the provider's contract manager's file.

System of Quality Control:

- (1) weekly staff meetings discussing current programmatic trends and conditions
- (2) weekly one-on-one meetings with Contract Management Supervisor to review:
 - current or outstanding issues such as pending procurement;
 - contract/amendment development;
 - provision of technical assistance and identifying training needs.

In addition, provider invoices, deliverables, performance, and corrective action are addressed in these meetings one-on-one on an as needed basis.

Staff Responsible: Shereka Korokous and Stephen Poole

Anticipated completion date: April 21, 2017

Management Approval: Samantha Wass de Czege

Twin Oaks Juvenile Development, Inc. – The contract (#LH273) expires on June 30, 2017 and the Department plans to renew it for three additional years. As part of the renewal process, the Department's Contract Manager is requesting a line-item budget and narrative from the Provider for FY 2017/2018. Once the budget and narrative are received, the Contract Manager will perform the required cost analysis.

Staff Responsible: : Tarha Selvidge

Anticipated completion date: June 30, 2017

Management Approval: Jimmers Micallef, Chief of SAMH Contracts,
Tony McCoy, Psychological Services Director/JITP Statewide
Coordinator
Wendy Scott, Director of Policy and Programs for Mental Health Treatment
Facilities

Community-Based Care of Central Florida – Contract Managers have received instructions to complete a cost analysis for all competitively procured contracts for which the Department received only one response. This requirement is included on the Contract Management File Review Checklist to be completed by each Contract Manager for each contract and reviewed twice annually for compliance by Contract Administration.

Staff Responsible: Sumer Bray

Anticipated completion date: Ongoing

Management Approval: Maria Nistri

Gulf Coast Jewish Community Services, Inc. – The Cost Analysis was completed and signed by Bill Goff, Contract Manager on 06/20/2014. Staff located the attached supporting documentation in the file post-review. The attached cost analysis includes a detailed budget analysis for the individual cost elements for allowability, reasonableness, and necessity.

Staff Responsible: Lois Admire, Contract Manager

Completion Date: October 31, 2016

Management Approval: Kim Williams, Family and Community Services Director

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Contract/Grant Management

Inadequate Verification and Documentation Activities

Children's Forum, Inc.: The Department will initiate a monthly validation time frame requiring the provider to submit a listing of all new and renewal applications for Gold Seal certifications indicating (1) the date the application was received; and (2) the date action was taken (approved, denied, or needing additional information).

Additionally, the Office of Child Welfare Child Care Regulation will subsequently conduct a random sampling of applicants on a quarterly basis to solicit their views on the application process and validate processing time frame compliance. Implementation begins April 2017.

System of Quality Control: Weekly one-on-one meetings with the Contract Management Supervisor to review contract related issues including provider invoices, deliverables, and performance measures; corrective actions are addressed on an as-needed basis.

Staff Responsible: Shereka Korokous and Stephen Poole;

Anticipated Completion Date: Ongoing each quarter for the life of the contract;

Management Approval: Samantha Wass de Czege

Gulf Coast Jewish Family & Community Services, Inc.: The Contract Manager immediately implemented corrective action during the review. The procedure has been revised and the Contract Manager now secures Office of Adult Protective Services (SunCoast Region), Aging and Adult Services staff confirmation of service delivery and performance prior to payment of the invoices. This went into effect as of the September 2016 Invoice.

Staff Responsible: Lois Admire, Contract Manager

Completion Date: October 31, 2016

Management Approval: Kim Williams, Family and Community Services Director

One Church, One Child of Florida: Effective March 1, 2017, Contract Amendment #0005 revised the match language in the agreement to clarify that in-kind contributions are allowable.

Staff Responsible: Tammy Rodgers

Completion Date: 3/1/2017

Management Approval: Elisa Cramer, Child Welfare Strategic Projects Director
Cameo Bryant, Contracts and Grants Unit Manager

Twin Oaks Juvenile Development, Inc.:

• **Issue #1: Provider Generated Spreadsheets and Reports (Client Census)**

Services under this contract are court ordered. The court orders are sent to the Department's Juvenile Incompetent to Proceed (JITP) Statewide Coordinator (SC). The JITP-SC reviews the court orders and then sends client referrals to the Provider to initiate services. The JITP-SC maintains copies of all court orders and client referrals, which can be used to validate the Provider's census report. In October 2016, the Contract Manager started to obtain approval of the Provider's census from the JITP-SC.

- The Contract Manager will continue to obtain census approval from the JITP-SC for the remainder of FY 2016-2017 to ensure that the Provider's census only includes eligible clients. This will be completed by 7/15/2017, when the June 2017 invoice is submitted to the Department.
- The Contract Manager will create and maintain a spreadsheet that will track eligible clients served under this contract starting FY 2017-2018. The Contract Manager will use court orders and client referrals that are maintained by the JITP-SC to compile the spreadsheet.

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The spreadsheet will then be compared to the Provider's census report for validation. This spreadsheet will be completed by 8/15/2017, when the July 2017 invoice is submitted to the Department. The spreadsheet will be maintained throughout the life of the contract.

• **Issue #2: Deliverable Validation Based on Provider Reports**

The Provider is able to bill for the following units: case management hours, competency training hours, and competency evaluations. The Contract Manager receives copies of each competency evaluation report and uses those to validate the billed competency evaluations units each month. However, on average, the Provider bills a total of 2000 units of competency training and 900 units of case management each month to an estimated 190 clients. It is not a realistic approach to validate each unit every month.

- The Contract Manager will review a FY 2016-2017 monthly invoice and validate a large sample of billed services units (case management hours and competency training hours) against documentation in the client's file to ensure those units were provided and properly documented. This action is part of the Contract Manager's FY 2016-2017 monitoring plan and will be completed by 6/30/2017.

For FY 2017-2018 and future fiscal years, the Contract Manager will randomly validate a large sample of billed units semi-annually via desk audit and annually via onsite audit. This practice will be maintained throughout the life of the contract.

Staff Responsible: Tarha Selvidge and Jimmers Micallef .

Completion Date: August 15, 2017

Management Approval: Jimmers Micallef, Chief of SAMH Contracts

Tony McCoy, Psychological Services Director/JITP-SC

Wendy Scott, Director of Policy and Programs for Mental Health Treatment Facilities

One Church, One Child of Florida: Just prior to the DFS audit, the newly assigned contract manager was working in collaboration with the provider on the submission of detailed supportive documentation for their September 2016 reports. Effective October 19, 2016, the provider began submitting detailed supportive documentation on a monthly basis to validate report and service delivery information in compliance with the criteria established in the agreement. In addition, the contract manager performed some validation checks on the internet to further verify participant information submitted with the December 2016 and January, 2017 monthly reports and documentation.

Staff Responsible: Tammy Rodgers

Completion Date: 3/1/2017

Management Approval: Elisa Cramer, Child Welfare Strategic Projects Director

Cameo Bryant, Contracts and Grants Unit Manager

Lutheran Services - The contract manager will:

- 1) provide technical assistance for Lutheran Service Florida regarding the proper completion of travel reimbursement documentation, which includes the point of origin to destination information, purpose and time of travel, for all local travel; and
- 2) ensure that a properly completed Voucher for Reimbursement of Travel Expenses and Vicinity Mileage Log are included with the provider's request for reimbursement during the invoice review and approval process.

Responsible Party: Alison Coleman, Contract manager

Anticipated Completion Date: April 7, 2017

Management Approval: Gloria Darling, Contract Unit Supervisor

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Children's Forum: The Contract Manager (CM) reviews documentation submitted in support of a request for payment. The CM assesses the supporting documentation against the deliverable for which payment is requested and determines if the provider's documentation meets the specific minimum performance measure for the deliverable. If the documentation is not adequate, the CM returns the documentation requesting clarification or additional supporting information.

System of Quality Control: The CM will validate and document that contract terms and requirements are being met through a random sampling of applicants each quarter. Implementation begins April 2017.

Staff Responsible: Shereka Korokous and Stephen Poole;

Anticipated Completion Date: Ongoing;

Management Approval: Samantha Wass de Czege.

One Church, One Child of Florida:

Effective October 19, 2016, the provider began submitting detailed supportive documentation on a monthly basis to validate report, service delivery and performance measure information in compliance with the criteria established in the agreement.

Staff Responsible: Tammy Rodgers

Completion Date: 10/19/2016

Management Approval: Elisa Cramer, Child Welfare Strategic Projects Director
Cameo Bryant, Contracts and Grants Unit Manager

Pacific Interpreters Inc.: The contract with Pacific Interpreters, Inc. ended 9/30/2016.

The Office of Contracted Client Services is currently reviewing and revising its desk review monitoring process to provide more meaningful monitoring and information.

Staff Responsible: Diane Dusenbury

Completion Date: In progress

Management Approval: Christopher Meadows

Other

Pacific Interpreters, Inc.: The contract with Pacific Interpreters, Inc. began 5/1/2007 and ended 9/30/2016.

Pursuant to the Standard Contract, Section III, B. **Financial Penalties for Failures to Comply with Requirement for Corrective Action** of Contract LK868, dated 3/6/07, and in accordance with provisions of §402.73(1), Florida Statutes and §65-29.001, Florida Administrative Codes, corrective actions **may** be required for noncompliance, nonperformance, or unacceptable performance under this contract. Consequently, during the review of the provider's final invoice it was determined the provider did not meet the 0:0:45 (seconds) connection time Performance Measure. Therefore, on October 14, 2016 the Department notified the provider of their nonperformance. The provider responded on November 2, 2016 and detailed their clarification regarding the nonperformance. The response was not found to sufficiently correct the deficiency. The nonperformance did not have a direct effect on client health and safety and was determined to be an administrative task, therefore, the final invoice payment was assessed a 2% reduction as a financial penalty for the non-compliance.

The Office of Refugee Services no longer contracts with Pacific Interpreter and currently purchases interpreter services via a Direct Order. Performance measures under the Direct Order do not include the connection time requirements.

Contract QG501: Gulf Coast Jewish and Family Community Services, Inc.

COST ANALYSIS FOR NON-COMPETITIVELY PROCURED AGREEMENTS IN EXCESS OF CATEGORY II

| Line Item Budget Category | Amount | % Allocated to this Agreement | Allowable | Reasonable | Necessary |
|-----------------------------|------------------|-------------------------------|-----------|------------|-----------|
| Salaries | \$75,800 | 16.88% | X | X | X |
| Fringe Benefits | \$12,100 | 16.88% | X | X | X |
| Equipment | | | | | |
| Utilities | | | | | |
| Travel | | | | | |
| Miscellaneous | \$32,900 | 4 | X | X | X |
| | | | | | |
| Indirect cost/overhead | | | | | |
| Subcontract Services | \$615,000 | 100% | X | X | X |
| Consumable Medical Supplies | \$65,000 | 100% | X | X | X |
| Durable Medical Goods | \$100,000 | 100% | X | X | X |
| | | | | | |
| | | | | | |
| | | | | | |
| TOTAL | \$900,000 | | | | |

CERTIFICATION:

I certify that the cost for each line item budget category has been evaluated and determined to be allowable, reasonable, and necessary as required by Section 216.3475, F.S. Documentation is on file evidencing the methodology used and the conclusions reached.

Name _____
Signature _____
Title _____
Date _____

Contract QG501: Gulf Coast Jewish Family and Community Services

Case Management Salaries for the Case Management function allocated to the contract.

| | <u>Salaries</u> | <u>Base</u> | <u>%</u> | <u>Alloc</u> | <u>Two Years</u> | |
|---|---|--|----------------|--------------|------------------|---------------------------------|
| CM Planned Level of Service 30 Clients 2 Hours/month 720 Hours/year | Prog Manager | \$ 62,000.00 | 0.20 | \$ 12,400.00 | \$ 24,800.00 | Salaries \$ 75,800.00 |
| | Case Manager | \$ 37,500.00 | 0.50 | \$ 18,750.00 | \$ 37,500.00 | Benefits \$ 12,100.00 |
| | Admin Asst | \$ 18,000.00 | 0.15 | \$ 2,700.00 | \$ 5,400.00 | |
| | Quality Control | \$ 38,000.00 | 0.03 | \$ 1,140.00 | \$ 2,280.00 | Sub Contracts \$ 615,000.00 |
| | Client Serv Spei | \$ 27,000.00 | 0.03 | \$ 810.00 | \$ 1,620.00 | |
| | Accountant | \$ 42,000.00 | 0.05 | \$ 2,100.00 | \$ 4,200.00 | Administrative \$ 32,900.00 |
| | | \$ 224,500.00 | | \$ 37,900.00 | \$ 75,800.00 | |
| | Benefits | 0.168819599 Overall Sallary Allocation | | | | Consumables \$ 65,000.00 |
| | Taxes (8% Salaries) | | 0.08 | \$ 3,032.00 | \$ 6,064.00 | Durable Med Equip \$ 100,000.00 |
| | Benefits (8% Salaries) | | 0.08 | \$ 3,032.00 | \$ 6,064.00 | |
| | Net: Taxes & Benefits | | | \$ 6,064.00 | \$ 12,128.00 | \$ 900,800.00 |
| | | | | | \$ - | |
| | Salaries & Benefits: | | Sub-Tot | \$ 43,964.00 | \$ 87,928.00 | |
| | Administrative Overhead | | 10% | \$ 4,396.40 | \$ 8,793.00 | 3.7% |
| | Total Cost of Case Management Services | | | \$ 48,360.40 | \$ 96,721.00 | |

Subcontracted Services

| | Hrs Planned | Rate | Cost | Two Years |
|---------------|--------------|-------|---------------|---------------|
| Homemaker | \$ 4,000.00 | 20 | \$ 80,000.00 | \$ 160,000.00 |
| Personal Care | \$ 10,000.00 | 22.75 | \$ 227,500.00 | \$ 455,000.00 |
| | \$ 14,000.00 | | \$ 307,500.00 | \$ 615,000.00 |
| | | | Overhead 10% | |
| Homemaker | | | \$ 8,000.00 | \$ 16,000.00 |
| Personal Care | | | \$ 22,750.00 | \$ 45,500.00 |
| | | | \$ 30,750.00 | \$ 61,500.00 |

Rate Analysis for CCDA Servcies Contract QG501

Based on Gulf Coast's budget proposal.

Case Management

Salaries for the Case Management function allocated to the contract.

| | <u>Salaries</u> | <u>Base</u> | <u>%</u> | <u>Alloc</u> |
|-----------------------------|--|---------------------------------------|----------------|-------------------------|
| CM Planned Level of Service | | | | |
| 30 Clients | | 62,000 | 0.20 | 12,400 |
| 2 Hours/month | | 37,500 | 0.50 | 18,750 |
| 720 Hours/year | | 18,000 | 0.15 | 2,700 |
| | | 38,000 | 0.03 | 1,140 |
| | | 27,000 | 0.03 | 810 |
| | | 42,000 | 0.05 | 2,100 |
| | | <u>224,500</u> | | <u>37,900</u> |
| | <u>Benefits</u> | 0.168819599 Overall Salary Allocation | | |
| | Taxes (8% Salaries) | | 0.08 | 3,032 |
| | Benefits (8% Salaries) | | 0.08 | 3,032 |
| | Net: Taxes & Benefits | | | <u>6,064</u> |
| | Salaries & Benefits: | | Sub-Tot | <u>43,964</u> |
| | Administrative Overhead | | 10% | <u>4,396.40</u> |
| | Total Cost of Case Management Services | | | <u><u>48,360.40</u></u> |

Note it has been at least 10 years since the Provider has received an increase for CM or PC.

To cover managing consumables and DMEs, transportation, staff time for training, etc.

The proposed CM rate is based on the Provider's costs. It compares favorably with a Medicaid rate for similar servcies the Provider receives for Medicaid Case Management contract through American Elder Care (as lead agency contracted with ACHA) for similar services of \$150/client/month. These services are sThe current SAMH case management rate is \$63.20 but is based on a much higher volume resulting in economies of scale. Currently, the provider is billing more than 2 hours/mo based on the last three months for case management, going to the capitated rate may save funds.

| | | | |
|------------------------|----|-----------|--|
| Calc Rate | \$ | 67.17 | Total cost divided by planned hours/year |
| Calc Rate as Capitated | \$ | 134.33 | Average of 2 hours per month per client |
| Proposed | \$ | 135.00 | Per month per client, capitated |
| Proposed Annualized | \$ | 48,600.00 | |

Homemaker & Personal Care

| | Proposed | Current Rate | Increase | Per Increase | Increase over 10 Years / Per Yr |
|---------------|----------|--------------|----------|--------------|---------------------------------|
| Homemaker | 22 | 19.75 | 2.25 | 11.4% | 18.67% 1.87% |
| Personal Care | 25 | 21 | 4 | 19.0% | 19.05% 1.90% |

These rates are less than we are paying contracted providers in Circuit 20.

The proposed billed rate is based on the anticipated rate charged by the subcontracted vendors plus 10% overhead for managing the service, including scheduling, collection of billing info from the provider, reconciliation of vendor invoice to service logs, and preparing the invoice for the Department.

Contract QG501: Gulf Coast Jewish Family and Community Services
 Invoiced YTD through April

| | Billing \$ | | | Billing Hours | | | Num Clients | Average CM Hrs | Average Hmk Hrs | Average PC Hrs |
|-----------------------------|---------------------|---------------------|----------------------|--------------------|--------------------|--------------------|-------------|--------------------|--------------------|--------------------|
| | CM | Hmk | PC | CM | Hmk | PC | | | | |
| Apr-14 | \$ 4,981.50 | \$ 5,786.75 | \$ 14,941.50 | 121.50 | 293.00 | 711.50 | 32 | 3.796875 | 9.15625 | 22.234375 |
| Mar-14 | \$ 3,567.00 | \$ 5,816.38 | \$ 17,083.50 | 87.00 | 294.50 | 813.50 | 27 | 3.222222222 | 10.90740741 | 30.12962963 |
| Feb-14 | \$ 4,602.25 | \$ 4,611.63 | \$ 11,781.00 | 112.25 | 233.50 | 561.00 | 27 | 4.157407407 | 8.648148148 | 20.77777778 |
| Jan-14 | \$ 2,829.00 | \$ 5,628.75 | \$ 14,332.50 | 69.00 | 285.00 | 682.50 | 27 | 2.555555556 | 10.55555556 | 25.27777778 |
| Dec-13 | \$ 2,808.50 | \$ 4,898.00 | \$ 13,466.25 | 68.50 | 248.00 | 641.25 | 28 | 2.446428571 | 8.857142857 | 22.90178571 |
| Nov-13 | \$ 2,798.25 | \$ 5,307.81 | \$ 14,658.00 | 68.25 | 268.75 | 698.00 | 27 | 2.527777778 | 9.953703704 | 25.85185185 |
| Oct-13 | \$ 3,802.75 | \$ 5,925.00 | \$ 14,878.50 | 92.75 | 300.00 | 708.50 | 27 | 3.435185185 | 11.11111111 | 26.24074074 |
| Sep-13 | \$ 2,378.00 | \$ 4,838.75 | \$ 12,978.00 | 58.00 | 245.00 | 618.00 | 26 | 2.230769231 | 9.423076923 | 23.76923077 |
| Aug-13 | \$ 3,218.50 | \$ 5,362.13 | \$ 13,450.50 | 78.50 | 271.50 | 640.50 | 26 | 3.019230769 | 10.44230769 | 24.63461538 |
| Jul-13 | \$ 2,788.00 | \$ 5,342.38 | \$ 13,314.00 | 68.00 | 270.50 | 634.00 | 26 | 2.615384615 | 10.40384615 | 24.38461538 |
| Average | \$ 3,377.38 | \$ 5,351.76 | \$ 14,088.38 | 82.38 | 270.98 | 670.88 | 27.3 | 3.017399267 | 9.925824176 | 24.57417582 |
| Ave/Month Annualized | \$ 4,052.85 | \$ 6,422.11 | \$ 16,906.05 | 98.85 | 325.17 | 805.05 | | | | |
| Annual | \$ 48,634.20 | \$ 77,065.32 | \$ 202,872.60 | \$ 1,186.20 | \$ 3,902.04 | \$ 9,660.60 | | | | |

| Assumptions | |
|-------------|-----------------|
| Clients | 30 Per Month |
| Hmk Hrs | 10 Per Month |
| PC Hrs | 24.5 Per Month |
| | Rate Annualized |

Average Cost / Clt \$ 12,035.61

| | | | |
|----------------------|-----------|----------------------|---|
| Case Management | \$ 135.00 | \$ 48,600.00 | Month per Clt * 30 clients * 12 months |
| Homemaker | \$ 21.00 | \$ 75,600.00 | Hourly * Average Hrs * 30 clients * 12 mont' |
| Personal Care | \$ 25.00 | \$ 220,500.00 | Hourly * Average Hrs * 30 clients * 12 months |
| Total Services | | \$ 344,700.00 | |
| Exceptional Purchase | | \$ 40,000.00 | Based on this year 13/14 |
| CMS | | \$ 30,000.00 | Based on this year |
| EAR | | \$ 3,900.00 | Based on this year |
| Total Non Services | | \$ 73,900.00 | |
| Calculated Total | | \$ 418,600.00 | |
| FY 13-14 Allocation | | \$ 350,000.00 | |
| Over/Under | | <u>(\$68,600.00)</u> | |

Average Cost / Clt \$ 13,953.33

Change in Ave Cost \$ 1,917.72 Increase/Clt
 Amt due to > clts \$ 37,674.00

