

**AUDIT OF THE
NORTH BAY REGIONAL CENTER
FOR FISCAL YEARS 2012-13 AND 2013-14**

Department of Developmental Services

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EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) conducted a fiscal compliance audit of the North Bay Regional Center (NBRC) to ensure NBRC is in compliance with the requirements set forth in the California Code of Regulations, Title 17 (CCR, Title 17), the California Welfare & Institutions (W&I) Code, the Home and Community-Based Services (HCBS) Waiver for the Developmentally Disabled, and the contract with DDS. Overall, the audit indicated that NBRC maintains accounting records and supporting documentation for transactions in an organized manner. This audit report identifies some areas where NBRC's administrative and operational controls could be strengthened, but none of the findings were of a nature that would indicate systemic issues or constitute major concerns regarding NBRC's operations. A follow-up review was performed to ensure NBRC has taken corrective action to resolve the findings identified in the prior DDS audit report.

The findings of this audit report have been separated into the categories below:

I. Findings That Need to Be Addressed

Finding 1: Negotiated Rate Above the Statewide Median Rate

The sampled review of 130 Purchase of Service (POS) vendor files revealed NBRC reimbursed two vendors above the 2008 Statewide Median Rate. Association of Behavioral Consultants, Vendor Number PN0697, Service Code 48, Sub Code 00T, was paid at a rate of 50.5 cents per mile, when the median rate was 34 cents per mile. In addition, Cole Vocational Services, Vendor Number HN0263, Service Code 880, was also paid at a rate of \$29.41 per trip when the median rate was \$16.58 per trip. This resulted in overpayments totaling \$253,139.24 for the two vendors. However, NBRC provided support documentation indicating it has resolved \$33,724.44 of the \$253,139.24 with \$219,414.80 still outstanding. This is not in compliance with W&I Code, Section 4691.9(a) and (b).

For the remaining overpayment totaling \$219,414.80 NBRC provided documentation with its response indicating \$212,622.22 has been resolved with \$6,792.58 still outstanding.

Finding 2: Services Provided to Consumer Not Authorized by NBRC

The sampled review of 40 consumer authorizations revealed services provided to three consumers did not match the services and locations stated in the consumer's Individual Program Plans (IPP). United Cerebral Palsy (UCP) moved the consumers from one of its vendor locations to another without NBRC's authorization. This resulted in overpayments totaling \$5,011.20. This amount has since been recovered by NBRC. This is not in compliance with W&I Code, Section 4646(a) and CCR, Title 17, Section 54326(a)(10).

Finding 3: Unsupported Credit Card Expenditures

The review of NBRC's operational expenditures revealed 55 credit card transactions totaling \$6,594.48 that were either missing receipts or had insufficient documentation to support the expenses claimed to the State. This occurred because NBRC does not have policies and procedures in place to ensure adequate documentation is maintained for credit card purchases. This is not in compliance with the State Contract, Article IV, Section 3(a).

Finding 4: Client Trust Balances Over \$2,000

The review of 24 sampled Client Trust accounts revealed 15 Client Trust balances that exceeded the \$2,000 resource limit, mandated by the Social Security Administration. The client trust balances ranged from \$2,799.63 to \$12,771.62. This is not in compliance with Social Security Handbook, Chapter 21, Section 2153.2(A).

Finding 5: Targeted Case Management

A. Time Study – Recording of Attendance

The review of the Targeted Case Management (TCM) Time Study Forms (DS 1916) revealed that 42 out of 48 sampled employees' timesheets had multiple errors. The 42 employees had hours worked, vacation, and sick hours recorded on their timesheets which did not properly reflect what was recorded on the DS 1916. This is not in compliance with the TCM Rate Study Process and Instructions.

B. Rate Study – Expenses Did Not Match to the Year-End General Ledger

The review of TCM Rate Study worksheet for May 2014 revealed that the Operating Expenses reported on the worksheets did not reconcile with the Year-End General Ledger. The workers compensation was overstated by \$6,165.11, while health benefits and the non-industrial disability insurance were understated by \$21,788.89 and \$7,540.97, respectively. This is not in compliance with the instructions for the TCM Rate Study.

Finding 6: Family Cost Participation Program - Overstated Share of Cost

The sample review of 23 Family Cost Participation Program (FCPP) consumer files revealed three instances where NBRC paid for the share of cost for services that are the responsibility of the families under the requirements. This resulted in overpayments totaling \$416.60. This is not in compliance with CCR, Title 17, Sections 50255(a) and 50257(c).

Finding 7: Missing Annual Family Program Fee Registration Forms

The sampled review of 16 Annual Family Program Fee (AFPF) consumer files revealed eight consumers did not have AFPF Registration Forms (DS 6009) on file. This is not in compliance with the DDS AFPF Procedures II.

Finding 8: Service Coordinator Caseload Ratios

A. Vacant Positions Included in the Service Coordinator Caseload Ratios

The review of the service coordinator caseload ratios revealed NBRC included positions that were vacant for more than 60 days and vacancies established within 60 days of the report date for the March 2013 and 2014 caseload survey. This is not in compliance with W&I Code, Sections 4640.6(e)(3) and (4).

B. Service Coordinator Caseload Ratio Documentation Not Retained

The review of the service coordinator caseload ratios revealed NBRC did not maintain documentation to support the reported Medicaid Waiver, all other and developmental center movers' caseload ratios. This is not in compliance with State Contract, Article IV, Section 3(a).

Finding 9: Board Approved Policies and Procedures

A. Policies and Procedures for Procurement

The review of the procurement process revealed NBRC did not have a provision requiring the Board to approve contracts of \$250,000 or more. This is not in compliance with W&I Code, Section 4625.5(a).

B. Transparency and Public Access to Information Policy

The review of NBRC's Transparency and Accountability webpage revealed that the Transparency and Public Access to Information Policy posted on its website was not approved by the Board. This is not in compliance with W&I Code, Section 4629.5.

Finding 10: Lack of Minutes for Closed Board Meetings

NBRC could not provide the minutes for closed Board meetings, including meetings which involved discussions related to employee governance policies, labor issues and lawsuits. This is not in compliance with the W&I Code, Article 3, Section 4663(b).

Finding 11: Lack of Medi-Cal Reimbursement Procedures

During a vendor audit of College Hospital Inc. (CHI), Vendor Number HH0937, Service Code 700, it was identified that a total of \$3,840 was approved for Medi-Cal reimbursement after the Treatment of Authorization Request (TAR) was approved for a NBRC consumer. NBRC was reimbursed, but a follow-up review at NBRC found that it does not have procedures in place to determine whether vendors have applied for Medi-Cal reimbursements for consumers who are Medi-Cal eligible. NBRC has no knowledge of Insurance and Medi-Cal approvals or denials unless it is notified by the vendors and of the amounts that should be reimbursed by the vendor from Insurance or Medi-Cal if approved. This is not in compliance with W&I Code, Section 4659(a)(1) and (2).

Finding 12: Vendors Not Enrolled in Electronic Billing

The review of NBRC's electronic billing process found that 142 out of 3,235 eligible vendors have not been enrolled in electronic billing. Exceptions are granted for vendors paid by vouchers and vendors who demonstrate enrolling in electronic billing will present a financial hardship. However, it was found that none of the 142 vendors were paid by vouchers or demonstrated that submitting billings electronically would have presented a financial hardship. This is not in compliance with W&I Code, Section 4641.5(a).

Finding 13: Equipment Capitalization

The review of the inventory listing revealed that NBRC capitalized all of its equipment rather than items valued at or above \$5,000. NBRC was not aware that only items valued at or above \$5,000 are to be capitalized. This is not in compliance with the State Equipment Management Guidelines, Attachment D, Section 8602.

Finding 14: Home and Community-Based Services Provider Agreement Forms

The review of 130 sampled POS vendor files revealed that 14 HCBS Provider Agreement forms were not properly completed by NBRC. It was discovered that the forms were not on file; were missing service codes; and had incorrect vendor numbers, service codes, or both. This is not in compliance with CCR, Title 17, Section 54326(a)(16).

Finding 15: Vendor Applications and Applicant/Vendor Disclosure Statements

The sampled review of 130 POS vendor files revealed that 16 Vendor Applications (DS 1890) and 32 Applicant/Vendor Disclosure Statements (DS 1891) forms were missing. This is not in compliance with CCR, Title 17, and Sections 54310(a) and 54311(b) and (c).

Finding 16: Missing Vendor Files, Contracts/Rate Letters and Proof of Insurance

The sampled review of 130 vendors revealed NBRC was unable to provide six vendor files, seven vendor contracts/rate letters and proof of insurance for one vendor. This is not in compliance with the State Contract, Article IV, Sections 3(a) and (b).

Finding 17: Multiple Dates of Death

The review of the Uniform Fiscal System (UFS) Death report identified that two of the 20 sampled consumers had multiple dates of death recorded. This is not in compliance with State Contract, Article IV, Section 1.

Finding 18: Lack of Written Policies and Procedures

The review of the two petty cash accounts revealed that NBRC does not have any formal written policies and procedures in place.

NBRC is aware of this issue and has suspended the use of petty cash until policies and procedures are implemented.

II. Findings Addressed and Corrected by NBRC

Finding 19: Overstated Claims

The sampled review of 130 POS vendor files and the operational indicator reports revealed NBRC reimbursed 18 vendors for services not provided to the consumers. This resulted in overpayments totaling \$15,839.94. The overstated claims were due to duplicate payments, overlapping authorizations and calculation errors. This is not in compliance with CCR, Title 17, Sections 54326(a)(10) and (12).

NBRC has taken corrective action and has recovered \$15,839.94 in overpayments from the vendors.

Finding 20: Lack of Annual Notification of the Whistleblower Policy

NBRC staff is not annually distributing NBRC and the State's Whistleblower Policies to its employees. This is not in compliance with the State Contract, Article I, Sections 18(b)(6) and (c).

NBRC took corrective action and sent a Whistleblower Policy through e-mail to its employees requiring them to sign and return the Whistleblower acknowledgement form.

BACKGROUND

DDS is responsible, under the Lanterman Developmental Disabilities Services Act (Lanterman Act), for ensuring that persons with developmental disabilities (DD) receive the services and supports they need to lead more independent, productive and normal lives. To ensure that these services and supports are available, DDS contracts with 21 private, nonprofit community agencies/corporations that provide fixed points of contact in the community for serving eligible individuals with DD and their families in California. These fixed points of contact are referred to as Regional Centers (RCs). The RCs are responsible under State law to help ensure that such persons receive access to the programs and services that are best suited to them throughout their lifetime.

DDS is also responsible for providing assurance to the Department of Health and Human Services, and the Centers for Medicare and Medicaid Services (CMS), that services billed under California's HCBS Waiver program are provided and that criteria set forth for receiving funds have been met. As part of DDS' program for providing this assurance, the Audit Branch conducts fiscal compliance audits of each Regional Center (RC) no less than every two years and completes follow-up reviews in alternate years. Also, DDS requires RCs to contract with independent Certified Public Accountants (CPA) to conduct an annual financial statement audit. The DDS audit is designed to wrap around the independent CPA's audit to ensure comprehensive financial accountability.

In addition to the fiscal compliance audit, each RC will also be monitored by the DDS Federal Programs Operations Section to assess overall programmatic compliance with HCBS Waiver requirements. The HCBS Waiver compliance monitoring review has its own criteria and processes. These audits and program reviews are an essential part of an overall DDS monitoring system that provides information on NBRC's fiscal, administrative and program operations.

DDS and North Bay Developmental Disability Services, Inc., entered into contract HD099011 effective July 1, 2009, through June 30, 2016. This contract specifies that NBRC will provide services to individuals with DD and their families in Napa, Sonoma, and Solano Counties. The contract is funded by State and Federal funds that are dependent upon NBRC performing certain tasks, providing services to eligible consumers, and submitting billings to DDS.

This audit was conducted at NBRC from July 21, 2014 through August 29, 2014, and was conducted by the DDS' Audit Branch.

AUTHORITY

The audit was conducted under the authority of the W&I Code, Section 4780.5, and Article IV, Section 3, of the State Contract.

CRITERIA

The following criteria were used for this audit:

- California's W&I Code
- "Approved Application for the HCBS Waiver for the Developmentally Disabled"
- CCR, Title 17
- Federal Office of Management Budget (OMB) Circular A-133
- State Contract between DDS and NBRC, effective July 1, 2009

AUDIT PERIOD

The audit period was July 1, 2012, through June 30, 2014, with follow-up as needed into prior and subsequent periods.

OBJECTIVES, SCOPE, AND METHODOLOGY

This audit was conducted as part of the overall DDS monitoring system that provides information on RC's fiscal, administrative, and program operations. The objectives of this audit are:

- To determine compliance with the W&I Code (or the Lanterman Act)
- To determine compliance with CCR, Title 17 Regulations
- To determine compliance with the provisions of the HCBS Waiver Program for the DD
- To determine that costs claimed were in compliance with the provisions of the State Contract

The audit was conducted in accordance with Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States. However, the procedures do not constitute an audit of NBRC's financial statements. DDS limited the scope to planning and performing audit procedures necessary to obtain reasonable assurance that NBRC was in compliance with the objectives identified above. Accordingly, DDS examined transactions on a test basis to determine whether NBRC was in compliance with the Lanterman Act, CCR, Title 17, HCBS Waiver for the DD, and the State Contract.

DDS' review of NBRC's internal control structure was conducted to gain an understanding of the transaction flow and the policies and procedures, as necessary, to develop appropriate auditing procedures. DDS reviewed the annual audit report that was conducted by an independent accounting firm for Fiscal Year 2012-13, issued on August 4, 2014. It was noted that a management letter was issued for NBRC. This review was performed to determine the impact, if any, upon the DDS audit and, as necessary, develop appropriate audit procedures.

The audit procedures performed included the following:

I. Purchase of Service (POS)

DDS selected a sample of POS claims billed to DDS. The sample included consumer services, vendor rates, and consumer trust accounts. The sample also included consumers who were eligible for the HCBS Waiver Program. For POS claims, the following procedures were performed:

- DDS tested the sample items to determine if the payments made to service providers were properly claimed and could be supported by appropriate documentation.
- DDS selected a sample of invoices for service providers with daily and hourly rates, standard monthly rates, and mileage rates to determine if supporting attendance documentation was maintained by NBRC. The rates charged for the services provided to individual consumers were reviewed to ensure that the rates paid were set in accordance with the provisions of CCR, Title 17, and the W&I Code.
- DDS selected a sample of individual Consumer Trust Accounts to determine if there were any unusual activities and whether any account balances exceeded \$2,000 as prohibited by the Social Security Administration. In addition, DDS determined if any retroactive Social Security benefit payments received exceeded the \$2,000 resource limit for longer than nine months. DDS also reviewed these accounts to ensure that the interest earnings were distributed quarterly, personal and incidental funds were paid before the tenth of each month, and that proper documentation for expenditures was maintained.
- DDS selected a sample of UFS reconciliations to determine if any accounts were out-of-balance or if there were any outstanding items that were not reconciled.
- DDS analyzed all of NBRC's bank accounts to determine whether DDS had signatory authority as required by the contract with DDS.
- DDS selected a sample of bank reconciliations for Operations and Consumer Trust bank accounts to determine if the reconciliations were properly completed on a monthly basis.

II. Regional Center Operations (OPS)

DDS audited NBRC's operations and conducted tests to determine compliance with the State Contract. The tests included various expenditures claimed for administration to ensure that NBRC accounting staff is properly inputting data, that transactions were recorded on a timely basis, and to ensure that expenditures charged to various operating areas were valid and reasonable. These tests included the following:

- A sample of the personnel files, timesheets, payroll ledgers and other support documents were selected to determine if there were any overpayments or errors in the payroll or the payroll deductions.
- A sample of operating expenses, including, but not limited to, purchases of office supplies, consultant contracts, insurance expenses, and lease agreements were tested to determine compliance with CCR, Title 17, and the State Contract.
- A sample of equipment was selected and physically inspected to determine compliance with requirements of the State Contract.
- DDS reviewed NBRC's policies and procedures for compliance with the DDS Conflict of Interest regulations and DDS selected a sample of personnel files to determine if the policies and procedures were followed.

III. Targeted Case Management (TCM) and Regional Center Rate Study

The TCM Rate Study is the study that determines the DDS rate of reimbursement from the Federal Government. The following procedures were performed upon the study:

- Reviewed applicable TCM records and NBRC's Rate Study. DDS examined the annual administrative survey for Fiscal Years 2012-13 and 2013-14, and traced the reported information to source documents.
- Reviewed NBRC's TCM Time Study. DDS selected a sample of payroll time sheets for this review and compared it to the TCM Time Study forms (DS 1916) to ensure that they were properly completed and supported.

IV. Service Coordinator Caseload Survey

Under W&I Code, Section 4640.6(e), RCs are required to provide service coordinator caseload data to DDS. The following average service coordinator-to-consumer ratios apply per W&I Code, Section 4640.6(c)(3):

- A. For all consumers that are three years of age and younger and for consumers enrolled in the Waiver, the required average ratio shall be 1:62.
- B. For all consumers who have moved from a developmental center to the community since April 14, 1993, and have lived continuously in the community for at least 12 months, the required average ratio shall be 1:62. The required average ratio shall be 1:45 for consumers who have moved within the first year.
- C. For all consumers who have not moved from the developmental centers to the community since April 14, 1993, and who are not covered under A above, the required average ratio shall be 1:66. The 1:66 ratio was lifted in February 2009, upon imposition of the 3 percent operations reduction to regional centers as

required per W&I Code, Section 4640.6(i) and (j). The ratio continued to be suspended from July 2010 until July 2012, with imposition of the subsequent 4.25 percent and 1.25 percent payment reductions.

DDS also reviewed the Service Coordinator Caseload Survey methodology used in calculating the caseload ratios to determine reasonableness, and that supporting documentation is maintained to support the survey and the ratios as required by W&I Code, Section 4640.6(e).

V. Early Intervention Program (Part C Funding)

For the Early Intervention Program, there are several sections contained in the Early Start Plan. However, only the Part C section was applicable for this review.

For this program, DDS reviewed the Early Intervention Program, including the Early Start Plan and Federal Part C funding to determine if the funds were properly accounted for in the RCs accounting records.

VI. Family Cost Participation Program (FCPP)

The FCPP was created for the purpose of assessing consumer costs to parents based on income level and dependents. The family cost participation assessments are only applied to respite, day care, and camping services that are included in the child's IPP. To determine whether NBRC is in compliance with CCR, Title 17, and the W&I Code, DDS performed the following procedures during the audit review:

- Reviewed the list of consumers who received respite, day care and camping services, for ages 0 through 17 years who live with their parents and are not Medi-Cal eligible, to determine their contribution for the FCPP.
- Reviewed the parents' income documentation to verify their level of participation based on the FCPP Schedule.
- Reviewed copies of the notification letters to verify that the parents were notified of their assessed cost participation within 10 working days of receipt of the parents' complete income documentation.
- Reviewed vendor payments to verify that NBRC is paying for only its assessed share of cost.

VII. Annual Family Program Fee (AFPF)

The AFPF was created for the purpose of assessing an annual fee of up to \$200 based on income level of families of children between the ages of 0 through 17 receiving qualifying services through a RC. The AFPF fee shall not be assessed or collected if the child receives only respite, day care, or camping services from the RC, and a cost for participation is assessed to the parents under FCPP. To determine whether NBRC is in compliance with the W&I Code, DDS requested a list of AFPF assessments and verified the following:

- The adjusted gross family income is at or above 400 percent of the Federal poverty level based upon family size.
- The child has a developmental disability or is eligible for services under the California Early Intervention Services Act.
- The child is less than 18 years of age and lives with his or her parent.
- The child or family receives services beyond eligibility determination, needs assessment, and service coordination.
- The child does not receive services through the Medi-Cal program.
- Documentation was maintained by the RC to support reduced assessments.

VIII. Procurement

The Request for Proposal (RFP) process was implemented to ensure RCs outline the vendor selection process when using the RFP process to address consumer service needs. As of January 1, 2011, DDS requires RCs to document their contracting practices, as well as how particular vendors are selected to provide consumer services. By implementing a procurement process, RCs will ensure that the most cost effective service providers, amongst comparable service providers, are selected as required by the Lanterman Act and the State Contract as amended.

To determine whether NBRC implemented the required RFP process by January 1, 2011, DDS performed the following procedures during the audit review:

- Reviewed the NBRC contracting process to ensure the existence of a Board approved procurement policy and to verify that the RFP process ensures competitive bidding as required by Article II of the State Contract as amended.
- Reviewed the RFP contracting policy to determine whether the protocols in place included applicable dollar thresholds, and comply with Article II of the State Contract as amended.

- Reviewed the RFP notification process to verify that it is open to the public, and clearly communicated to all vendors. All submitted proposals are evaluated by a team of individuals to determine whether proposals are properly documented, recorded and authorized by appropriate officials at NBRC. The process was reviewed to ensure that the vendor selection process is transparent, impartial, and avoids the appearance of favoritism. Additionally, DDS verified that supporting documentation is retained for the selection process and, in instances where a vendor with a higher bid is selected, there is written documentation retained as justification for such a selection.

DDS performed the following procedures to determine compliance with Article II of the State Contract for new contracts in place as of January 1, 2011:

- Selected a sample of Operational, Start-Up, and negotiated POS contracts subject to competitive bidding to ensure NBRC notified the vendor community and the public of contracting opportunities available.
- Reviewed the contracts to ensure that NBRC has adequate and detailed documentation for the selection and evaluation process of vendor proposals, written justification for final vendor selection decisions, and that those contracts were properly signed and executed by both parties to the contract.

In addition, DDS performed the following procedures to determine compliance with W&I Code, Section 4625.5, for new contracts in place as of March 2011:

- Reviewed to ensure NBRC has a written policy requiring the Board to review and approve any of its contracts of two hundred fifty thousand dollars (\$250,000) or more before entering into a contract with the vendor.
- Reviewed NBRC Board approved POS, Start-Up and Operational vendor contracts of \$250,000 or more to ensure the inclusion of a provision for fair and equitable recoupment of funds for vendors that cease to provide services to consumers. Verified that the funds provided were specifically used to establish new or additional services to consumers and that the usage of funds are of direct benefit to consumers, and that contracts are supported with sufficiently detailed and measurable performance expectations and results.

The process above was conducted in order to assess NBRC's current RFP process and Board approval of contracts \$250,000 or more, as well as to determine whether the process in place satisfies the W&I Code and NBRC's State Contract requirements as amended.

IX. Statewide/Regional Center Median Rates

The Statewide and Regional Center Median Rates were implemented on July 1, 2008, and amended on December 15, 2011, to ensure RCs are not negotiating rates higher than the set median rates for services. Despite the median rate requirement, rate increases could be obtained from DDS under health and safety exemptions where RCs demonstrate the exemption is necessary for the health and safety of the consumers.

To determine whether NBRC was in compliance with the Lanterman Act, DDS performed the following procedures during the audit review:

- Reviewed sample vendor files to determine whether NBRC is using appropriately vendorized service providers, has correct service codes, and that NBRC is paying authorized contract rates and complying with the median rate requirements of the W&I Code, Section 4691.9.
- Reviewed vendor contracts to verify that NBRC is reimbursing vendors using authorized contract median rates and verified that rates paid represented the lower of the statewide or RC median rate set after June 30, 2008. Additionally, DDS verified that providers vendorized before June 30, 2008, did not receive any unauthorized rate increases, except in situations where health and safety exemptions were granted by DDS.

X. Other Sources of Funding from DDS

RCs may receive other sources of funding from DDS. DDS performed sample tests on identified sources of funds from DDS to ensure NBRC's accounting staff were inputting data properly, and that transactions were properly recorded and claimed. In addition, tests were performed to determine if the expenditures were reasonable and supported by documentation. The sources of funding from DDS identified in this audit are:

- Start-Up Funds, Community Placement Program
- Denti-Cal
- Mental Health Services Act (MHSA)

XI. Follow-up Review on Prior DDS Audit Findings

As an essential part of the overall DDS monitoring system, a follow-up review of the prior DDS audit findings was conducted. DDS identified prior audit findings that were reported to NBRC and reviewed supporting documentation to determine the degree and completeness of NBRC's implementation of corrective actions.

CONCLUSIONS

Based upon the audit procedures performed, DDS has determined that except for the items identified in the Findings and Recommendations Section, NBRC was in compliance with applicable sections of the CCR, Title 17, the HCBS Waiver, and the State Contract with DDS for the audit period, July 1, 2012, through June 30, 2014.

The costs claimed during the audit period were for program purposes and adequately supported.

From the review of prior audit issues, it has been determined that NBRC has taken appropriate corrective actions to resolve the prior audit issues.

VIEWS OF RESPONSIBLE OFFICIALS

DDS issued a draft audit report on October 29, 2015. The findings in the audit report were discussed at a formal exit conference with NBRC on November 19, 2015. The views of the responsible officials are included in the final audit report.

RESTRICTED USE

This audit report is solely for the information and use by DDS, Department of Health Care Services, Centers for Medicare and Medicaid Services, and NBRC. This restriction does not limit distribution of this audit report, which is a matter of public record.

FINDINGS AND RECOMMENDATIONS

The findings of this report have been separated into the categories below:

I. Findings That Need to Be Addressed

Finding 1: Negotiated Rate Above the Statewide Median Rate

The sampled review of 130 POS vendor files revealed NBRC reimbursed two vendors above the 2008 Statewide Median Rate. Association of Behavioral Consultants, Vendor Number PN0697, Service Code 048, Sub Code 00T was paid at a rate of 50.5 cents per mile, when the median rate was 34 cents per mile. This resulted in an overpayment of \$219,414.80 from April 2009 to June 2014. In addition, Cole Vocational Services, Vendor Number HN0263, Service Code 880, was paid at a rate of \$29.41 per trip when the median rate was \$16.58 per trip. This resulted in an overpayment of \$33,724.44 from February 2009 to June 2014. The total overpayment is \$253,139.24. NBRC stated this occurred due to oversight. Subsequently, NBRC provided supporting documentation indicating it had resolved overpayment totaling \$33,724.44 to Cole Vocational Services, with \$219,414.80 overpayment to Association of Behavioral Consultants still outstanding.

For the remaining overpayment totaling \$219,414.80 NBRC provided documentation with its response indicating overpayment totaling \$212,622.22 has been resolved with \$6,792.58 still outstanding. (See Attachment A)

W&I Code, Sections 4691.9(a) and (b) states in relevant part:

“Notwithstanding any other provision of the law or regulation, commencing July 1, 2008:

- (a) No regional center shall pay an existing service provider, for services where rates are determined through a negotiation between the regional center and the provider, a rate higher than the rate in effect on June 30, 2008, unless the increase is required by a contract between the regional center and the vendor that is in effect on June 30, 2008 . . .
- (b) No regional center may negotiate a rate with a new service provider, for services where rates are determined through a negotiation between the regional center and the provider, that is higher than the regional center’s median rate for the same service code and unit of service, or the statewide median rate for the same service code and unit of service, whichever is lower . . .”

Recommendation:

NBRC must reimburse DDS the overpayment totaling \$6,792.58. In addition, NBRC must ensure that any payment rates negotiated after June 30, 2008, are equal to or below the Statewide/NBRC Median Rates.

Finding 2: Services Provided to Consumer Not Authorized by NBRC

The sampled review of 40 consumer authorizations revealed that services provided to three consumers did not match the service and location stated in the consumer's IPP. This occurred because UCP moved the consumers from one of its vendor locations to another without NBRC's authorization. The IPP for Unique Client Identification (UCI) Number, 7192538 stated that the consumer should be at UCP - Gone for Good, Vendor Number HN0344, Service Code 510 (Adult Day Program); however, the consumer was placed at UCP – WineBev Services, Vendor Number HN0284, Service Code 510, without NBRC's authorization.

In addition, the IPP for two consumers, UCIs 7140809 and 6539258 stated the need for the consumers to receive services at UCP – WineBev Services, Vendor Number HN0322, Service Code 510, and UCP – Old Adobe Developmental Services, Vendor Number HN0388, Service Code 510 (Adult Day Programs), respectively. However, the consumers were placed at WineBev Services, Vendor Number HN0285, Service Code 515 (Behavior Management Program), and UCP – WineBev Services, Vendor Number HN0346, Service Code 515, respectively. This resulted in overpayments totaling \$5,011.20. This occurred because the vendors are moving the consumers from one program to the other without NBRC's knowledge.

NBRC took corrective action and recovered the overpayments from the vendors totaling \$5,011.20.

W&I Code, Section 4646(a) states:

- “(a) It is the intent of the Legislature to ensure that the individual program plan and provision of services and supports by the regional center system is centered on the individual and the family of the individual with developmental disabilities and takes into account the needs and preferences of the individual and the family, where appropriate, as well as promoting community integration, independent, productive, and normal lives, and stable and healthy environments. It is the further intent of the Legislature to ensure that the provision of services to consumers and their families be effective in meeting the goals stated in the individual program plan, reflect the preferences and choices of the consumer; and reflect the cost-effective use of public resources.”

Title 17, Section 54326(a)(10) states:

“(a) All vendors shall:

(10) Bill only for services which are actually provided to consumers and which have been authorized by the referring regional center.”

Recommendation:

NBRC must cease paying vendors for services not supported by the consumer’s IPP and inform its service coordinators that the POS authorization requests must only be for services stated in the consumer’s IPP. NBRC must also review UCP’s authorizations and ensure that services provided to the consumers are as stated in the consumer’s IPP.

Finding 3: Unsupported Credit Card Expenditures

The review of NBRC’s operational expenditures revealed 55 credit card transactions totaling \$6,594.48 that were either missing receipts or had insufficient documentation to support the claims to the State. NBRC did not have sufficient documentation detailing the items purchased for 49 credit cards transactions. In addition, NBRC did not have any supporting documentation for six credit card transactions. This occurred because NBRC does not have policies and procedures in place to ensure adequate documentation is maintained for credit card purchases. (See Attachment B)

State Contract, Article IV, Section 3(a) states:

“a. The Contractor shall maintain books, records, documents, case files, and other evidence pertaining to the budget, revenues, expenditures, and consumers served under this contract (hereinafter collectively called the “records”) to the extent and in such detail as will properly reflect net costs (direct and indirect) of labor, materials, equipment, supplies and services, overhead and other costs and expenses of whatever nature for which reimbursement is claimed under the provision of this contract in accordance with mutually agreed to procedures and generally accepted accounting principles.”

Recommendation:

NBRC must reimburse DDS \$6,594.48 for the unsupported expenditures. In addition, NBRC must develop credit card policies and procedures to ensure adequate documentation is maintained for any credit card purchases.

Finding 4: Client Trust Balances Over \$2,000

The review of 24 sampled Client Trust accounts revealed 15 Client Trust balances that exceeded the \$2,000 resource limit, mandated by the Social Security Administration. The client trust balances ranged from \$2,799.63 to \$12,771.62. By exceeding the asset limit, consumers are at risk of losing Supplemental Security Income (SSI) benefits that are used to offset the costs of residential services. Any residential costs not offset by SSI benefits are charged in full to the State. Consequently, not managing the consumers' trust balances within the asset limit exposes the State to an increased share of residential service costs. The balances exceeded the resource limit due to NBRC not monitoring the consumer trust accounts. (See Attachment C)

Social Security Handbook, Chapter 21, Section 2153.2(A) states:

“As of January 2009, the applicable limits are:

A. \$2,000 for an individual without a spouse . . .”

Recommendation:

NBRC should closely monitor Client Trust accounts to ensure the balances remain within the resource limits established by the Social Security Administration.

Finding 5: Targeted Case Management

A. Time Study – Recording of Attendance

The review of the TCM Time Study forms (DS 1916) revealed that 42 out of 48 sampled employees' timesheets had multiple errors. The 42 employees had hours worked, vacation and sick hours recorded on their timesheets which did not properly reflect hours recorded on the DS 1916. The difference between the employees' timesheets and the TCM Time Study forms were overstated by a total of 241.75 hours and understated by 133 hours. This issue occurred because NBRC did not reconcile the DS 1916 to the employee's timesheet. (See Attachment D)

The TCM Rate Study Process and Instructions state:

“ . . . All regional center case management staff (category CM) will complete the DS 1916 during the rate study . . . The total hours worked during the day, including overtime must be shown . . .”

For good business and internal control practices, vacation and sick leave should be recorded correctly on the DS 1916. Time recorded incorrectly may

result in an incorrect calculation of the TCM rate, which could result in the requirement to return overpayments of the TCM rate to the Federal Government or not maximizing federal funds for understated hours.

Recommendation:

NBRC must evaluate its current procedures and determine what additional controls need to be implemented to ensure that all employee timesheets reconcile to the TCM Time Study forms.

B. Rate Study – Expenses Did Not Match to the Year-End General Ledger

The review of TCM Rate Study worksheet for Fiscal Year 2013-14 revealed that three expenses from the Administrative Survey – Computation of Applicable Operating Expenses did not reconcile with the Year-End General Ledger. The health benefits and the non-industrial disability are understated by \$21,788.89 and \$7,540.97, respectively. In addition, the workers compensation was overstated by \$6,165.11. TCM rate amounts recorded incorrectly in the TCM study can affect the TCM rate billed to the Federal Government. NBRC stated a former employee was responsible for preparing the TCM Rate Study and that there were worksheets detailing the accounts, but were unable to provide the documents.

Instructions for the TCM Rate Study, Attachment C states:

“ADMINISTRATIVE SURVEY – Computation of Applicable Operating Expenses

Operating Expenses:

1. On the worksheet below, enter the actual 2012-13 FY operating expenses, including outstanding encumbrances and accounts payable that will be paid during the current fiscal year for each program per your UFS GL 310 Budget Report – Detail.”

Recommendation:

NBRC must review its expenses and provide DDS with the properly completed worksheet that match expenses reported on the Year-End General Ledger.

Finding 6: Family Cost Participation Program - Overstated Share of Cost

The sample review of FCPP consumer files revealed that NBRC paid for the share of cost for services that are the responsibility of the families under the requirements of the FCPP for three of the 23 sampled consumers participating in the program. This resulted in overpayments totaling \$416.60. NBRC stated that this was due to oversight on its part. (See Attachment E)

CCR, Title 17, Section 50255(a) states in part:

“(a) The parents of a child who meet the definition under Section 4783(a)(1) of the Welfare and Institutions Code shall be jointly and severally responsible for the assessed amount of family cost participation.”

CCR, Title 17, Section 50257(c) states in part:

“(c) Regional centers are responsible for funding their authorized share of services without regard to the family's cost participation assessment.”

Recommendation:

NBRC must reimburse DDS the overpayment amount of \$416.60 that resulted from incorrectly paying for the families' share of costs. In addition, NBRC must review its FCPP procedures to ensure it does not pay for services that are the responsibility of the family.

Finding 7: Missing Annual Family Program Fee (AFPF) Registration Forms

The sampled review of 16 AFPF consumer files revealed eight DS 6009 forms were not on file. This occurred because the DS 6009s are not being completed with the consumer's parents at the time of consumer's IPP or individualized family services plan (IFSP). As a result, the State is at risk of not receiving the AFPF fees. (See Attachment F)

DDS AFPF Program Fee Procedures II states:

“B. Regional centers shall complete the AFPF registration form with parents at the time of consumer's individual program plan (IPP) or individualized family services plan (IFSP).”

Recommendation:

NBRC needs to follow the AFPF policies and procedures to ensure the DS 6009 forms are completed and maintained in the consumer's file to ensure families are assessed AFPF fees when appropriate.

Finding 8: Service Coordinator Caseload Ratios

A. Vacant Positions Included in the Service Coordinator Caseload Ratios

The review of the service coordinator caseload ratios revealed NBRC included positions that were vacant for more than 60 days and vacancies established

within 60 days of the report date for the March 2013 and 2014 caseload survey. NBRC stated that since its ratios were already out of compliance, excluding vacant positions would not change the ratios reported to DDS.

W&I Code, Section 4640.6(e)(3) and (4) states:

- “(e) In order to ensure that caseload ratios are maintained pursuant to this section, each regional center shall provide service coordinator caseload data to the department, annually for each fiscal year. The data shall be submitted in the format, including the content, prescribed by the department. Within 30 days of receipt of data submitted pursuant to this subdivision, the department shall make a summary of the data available to the public upon request. The department shall verify the accuracy of the data when conducting regional center fiscal audits. Data submitted by regional centers pursuant to this subdivision shall:
- (3) Not include positions that are vacant for more than 60 days or new positions established within 60 days of the reporting month that are still vacant.
 - (4) For purposes of calculating caseload ratios for consumers enrolled in the Home and Community–Based Services Waiver program, vacancies shall not be included in the calculations.”

Recommendation:

NBRC should identify new and terminated employees and compare them with the caseload survey reports to ensure positions vacant for more than 60 days or established within 60 days of the reporting month are not included in calculating the caseload ratios.

B. Service Coordinator Caseload Ratio Documentation Not Retained

The review of the service coordinator caseload ratios revealed NBRC did not maintain documentation to support the ratios reported for medicaid waiver, all other consumers, and developmental center movers. NBRC explained that since the caseload survey report automatically pulls information directly from SANDIS, there was no need to print the summary reports. However, supporting documentation must be retained for audit purposes.

State Contract, Article IV, Section 3(a) states:

“ . . . Contractor shall keep records, as follows:

- a. The Contractor shall maintain books, records, documents, case files, and other evidence pertaining to the budget, revenues, expenditures, and consumers served under this contract . . .”

Also, the DDS Service Coordinator Caseload Survey Instructions, Paragraph 5 states:

“For audit purposes, the center must maintain supporting documentation for a minimum of three years. The law requires the Department, as part of its routine auditing responsibility, to review and verify documentation used to respond to this survey.

Recommendation:

NBRC should ensure all supporting documents are maintained for the reported caseload ratios.

Finding 9: Board Approved Policies and Procedures

A. Policies and Procedures for Procurement

The review of the procurement process revealed NBRC did not have a provision requiring the Board to approve contracts of \$250,000 or more for new contracts in place as of March 2011. This occurred due to NBRC’s oversight.

W&I Code, Section 4625.5(a) states:

- “(a) The governing board of each regional center shall adopt and maintain a written policy requiring the board to review and approve any regional center contract of two hundred fifty thousand dollars (\$250,000) or more, before entering into the contract.”

Recommendation:

NBRC must develop a provision to ensure contracts of \$250,000 or more are approved by the Board before entering into a contract with the vendor.

B. Transparency and Public Access to Information Policy

The review of NBRC’s Transparency and Accountability webpage revealed that the Transparency and Public Access to Information Policy posted on its website was not approved by the Board as required by DDS. NBRC stated this was due to an oversight on its part.

W&I Code, Section 4629.5(a) states:

- “(a) In addition to the requirements set forth in Section 4629, the department’s contract with a regional center shall require the regional center to adopt, maintain, and post on its Internet Web site a board–approved policy regarding transparency and access to public information.”

Recommendation:

NBRC must provide documentation to verify its transparency and public information policy was approved by the Board.

Finding 10: Lack of Minutes for Closed Board Meetings

NBRC could not provide the minutes for closed Board meetings, including meetings which involved discussions related to employee governance policies, labor issues and lawsuits. NBRC stated it was not aware of the requirement to keep closed Board minutes.

W&I Code, Section 4663(b) states in part:

- “(b) Any matter specifically dealing with a particular regional center client must be conducted in a closed session, except where it is requested that the issue be discussed publicly by the client, the client’s conservator, or the client’s parent or guardian where the client is a minor. Minutes of closed sessions shall be kept by a designated officer or employee of the regional center, but these minutes shall not be considered public records.”

Recommendation:

NBRC must comply with the W&I Code by recording and maintaining minutes of closed Board meetings.

Finding 11: Lack of Medi-Cal Reimbursement Procedures

During a vendor audit of CHI, Vendor Number HH0937, Service Code 700, it was identified that a total of \$3,840 was approved for Medi-Cal reimbursement for consumer UCI Number 7138128, for services provided from July 7, 2012 through August 14, 2012. NBRC was reimbursed, but a follow-up review revealed that NBRC does not have procedures in place to determine whether vendors have billed Medi-Cal once a TAR has been approved. Since NBRC does not have procedures in place, it was unaware of amounts that should have been reimbursed by the vendor from Medi-Cal, and it had no knowledge of Medi-Cal approvals or denials unless it was notified by the vendors. Lack of procedures to track if vendors have billed and received Medi-Cal funds increases the risk of duplicate payments to vendors.

W&I Code, Section 4659 (a) and (1) states in part:

- (a) Except as otherwise provided in subdivision (b) or (e), the regional center shall identify and pursue all possible sources of funding for consumers receiving regional center services. These sources shall include, but not be limited to, both of the following:
 - (1) Governmental or other entities or programs required to provide or pay the cost of providing services, including Medi-Cal, Medicare, the Civilian Health and Medical Program for Uniform Services, school districts, and federal supplemental security income and the state supplementary program.
 - (2) Private entities, to the maximum extent they are liable for the cost of services, aid, insurance, or medical assistance to the consumer.”

Good internal controls and sound business practices dictate that RCs have written policies and procedures in place to follow-up with vendors who provide services to Medi-Cal eligible consumers. The procedures must ensure RCs are receiving copies of Medi-Cal approvals or denial letters to assist in the monitoring of reimbursements, and any Medi-Cal payments received by the vendor are returned to the RC and used to offset the claim.

Recommendation:

NBRC must develop procedures to ensure that all vendors who have consumers eligible for Medi-Cal are billing for reimbursements appropriately. The procedures must also include a detailed follow-up process to ensure that NBRC is receiving a copy of the Medi-Cal approval or denial letter to assist it in the monitoring of reimbursements and maximizing the use of generic services.

Finding 12: Vendors Not Enrolled in Electronic Billing

The review of NBRC’s electronic billing process found that 142 out of 3,235 eligible vendors have not been enrolled in electronic billing. Exceptions are granted for vendors paid by vouchers and vendors who demonstrate enrolling in electronic billing will present a financial hardship. However, it was found that none of the 142 vendors were paid by vouchers or demonstrated that submitting billings electronically would have presented a financial hardship. This occurred because NBRC excluded some service codes from EB, but had not asked the vendors to provide justification on why they could not be enrolled. (See Attachment G)

W&I Code, Section 4641.5(a)(1) and (2) states:

“(a) Effective July 1, 2011, regional centers shall begin transitioning all vendors of all regional center services to electronic billing for services purchased through a regional center. All vendors and contracted providers shall submit all billings electronically for services provided on or after July 1, 2012, with the exception of the following:

- (1) A vendor or provider whose services are paid for by vouchers, as that term is defined in subdivision (i) of Section 4512.
- (2) A vendor or provider who demonstrates that submitting billings electronically for services presents substantial financial hardship for the provider.”

Recommendation:

NBRC must continue to work on enrolling these vendors to the electronic billing process to be in compliance with W&I Code, Section 4641.5(a).

Finding 13: Equipment Capitalization

The review of the inventory listing revealed that NBRC capitalized all of its equipment rather than items valued at or above \$5,000. NBRC was not aware that only items valued at or above \$5,000 are to be capitalized.

The State Equipment Management Guidelines, Attachment D, Section 8602 states:

“State property is capitalized for accounting purposes when certain conditions are met. Capitalization means to record the property in the accounting records as assets. Tangible property must meet the following three requirements in order to meet the capitalization requirements:

1. Have a normal useful life of at least one year;
2. Have a unit acquisition cost of at least \$5,000; and
3. Be used to conduct State business.”

Recommendation:

NBRC must capitalize all items valued at or above \$5,000. This will ensure compliance with the State’s Equipment Systems Guidelines and the State Administrative Manual as required by its contract with DDS.

Finding 14: Home and Community-Based Services Provider Agreement Forms

The sampled review of 130 POS vendor files revealed 14 HCBS Provider Agreement forms were missing or not properly completed. There were eight HCBS Provider Agreement forms missing and six HCBS Provider Agreement forms that were not properly completed due to either missing the service code or having an incorrect vendor number/service code. This occurred because NBRC does not review the vendor files to ensure required documents are maintained. (See Attachment H)

CCR, Title 17, Section 54326(a)(16), states in part:

“(a) All vendors shall . . .

(16) Sign the Home and Community-Based Services Provider Agreement (6/99), if applicable pursuant to Section 54310.”

Recommendation:

NBRC must locate the eight missing HCBS Provider Agreement forms or have the vendors complete new forms, and correct the remaining six HCBS Provider Agreement forms that were not properly completed. In addition, NBRC must review the vendor files to ensure the HCBS Provider Agreement forms are maintained.

Finding 15: Vendor Applications and Applicant/Vendor Disclosure Statements

The sampled review of 130 POS vendor files revealed NBRC did not have the Vendor Applications (DS 1890) and Applicant/Vendor Disclosure Statements (DS 1891) forms on file. There were 16 vendors missing the DS 1890 and 32 vendors missing the DS 1891 forms. This occurred because NBRC does not review the vendor files to ensure required documents are maintained. (See Attachments I and J)

CCR, Title 17, Section 54310(a), states:

“(a) An applicant who desires to be vendored shall submit Form DS 1890 (7/2011), entitled Vendor Application. . .”

CCR, Title 17, Section 54311(b) and (c), states:

“(b) Each applicant or vendor shall submit a new signed and dated DS 1891 (7/2011) to the regional center within 30 days of any change in the information previously submitted pursuant to this section or upon a written request by the regional center for such information.

- (c) All current vendors shall submit a signed and dated DS 1891 (7/2011) to the vendoring regional center within 120 days of the effective date of these regulations for review by regional center by June 30, 2012.”

Recommendation:

NBRC must locate the missing DS 1890 and DS 1891 forms or obtain new completed forms from the vendors. In addition, NBRC must review the vendor files to ensure the vendors have submitted the completed DS 1890 and DS 1891 forms.

Finding 16: Missing Vendor Files, Contracts/Rate Letters and Proof of Insurance

The sampled review of 130 vendors revealed NBRC was unable to provide six vendor files, seven vendor contracts/rate letters, and proof of insurance for one vendor. This occurred because NBRC does not review the vendor files to ensure required documents are maintained. (See Attachment K)

State Contract, Article IV, Section 3(a) and (b) states:

“ . . . Contractor shall keep records, as follows:

- a. The Contractor shall maintain books, records, documents, case files, and other evidence pertaining to the budget, revenues, expenditures, and consumers served under this contract . . .
- b. The Contractor shall make available at the office of the Contractor at any time during the terms of this agreement during normal working hours, and for a period of three years after final payment under this annual contract, any of its records (personnel records excepted) for the inspection, audit, examination or reproduction by an authorized representative of the State, federal auditor, the State Auditor of the State of California, or any other appropriate State agency, which shall be conducted with the minimum amount of disruption to Contractor’s program . . .”

Recommendation:

NBRC must adhere to the requirements set forth in the State Contract, Article IV, Sections 3(a) and (b) and ensure that documents are retained, properly safeguarded, and readily available for review.

Finding 17: Multiple Dates of Death

The review of the UFS Death report identified two of the 20 sampled consumers had multiple dates of death recorded. Further review found that no payments

were made beyond the actual date of death. This issue was due to NBRC entering both the date indicated on the Special Incident Report (SIR) and the date on the death certificate into UFS. (See Attachment L)

State Contract, Article IV, Section 1(c)(1)(a) states in part:

“c. Contractor shall make available accurate and complete UFS and/or SANDIS information to the State. Accordingly Contractor shall:

1) Update changes to all mandatory items of the Client Master File at least annually except for the following elements, which must be updated within thirty (30) days of Contractor being aware of any of the following events:

a) The death of a consumer;”

For good internal controls and accounting practices, NBRC should ensure the actual date of death is accurately recorded in UFS to avoid any potential payments after the date of death.

Recommendation:

NBRC should train its staff on how to correctly record the consumer’s date of death in UFS. In addition, NBRC should review all current deceased consumer records to ensure that only one date of death is recorded in UFS.

Finding 18: Lack of Written Policies and Procedures

The review of the two Petty Cash accounts revealed that NBRC’s Petty Cash custodian at the Napa office co-mingled personal money with the Petty Cash funds. The Petty Cash custodian used personal money to reimburse employees when the Petty Cash was not replenished timely. This occurred because NBRC does not have written policies and procedures in place regarding Petty Cash disbursements and replenishments. NBRC is aware of this issue and has suspended the use of the Petty Cash until policies and procedures are implemented.

Good internal control and sound business practices dictate there should be written policies and procedures for Petty Cash to ensure expenses are supported, reconciliations are done, dollar thresholds are established for replenishment and employee funds are not co-mingled with State funds.

Recommendation:

NBRC must develop written policies and procedures to ensure proper controls are in place over the Petty Cash.

II. Findings Addressed and Corrected by NBRC

Finding 19: Overstated Claims

The sampled review of 130 POS vendor files and the operational indicator reports revealed NBRC erroneously reimbursed 18 vendors for services not provided to the consumers. This resulted in overpayments totaling \$15,839.94. The overstated claims were due to duplicate payments, overlapping authorizations and calculation errors.

NBRC has taken corrective action and recovered the \$15,839.94 in overpayments from the vendors.

CCR, Title 17, Sections 54326(a)(10) and (12) states:

“(a) All vendors shall:

- (10) Bill only for services which are actually provided to consumers and which have been authorized by the referring regional center
- (12) Agree to accept the rate established, revised or adjusted by the Department as payment in full for all authorized services provided to consumers”

Recommendation:

NBRC should continue monitoring of the operational indicator reports, attendance documentation, rate letters, contracts and vendor payment invoices to ensure any payment errors identified are corrected in a timely manner.

Finding 20: Lack of Annual Notification of the Whistleblower Policy

A discussion with NBRC staff regarding the Whistleblower Policy revealed that NBRC is not annually distributing NBRC and the State’s Whistleblower Policies to its employees. The Director for Administrative Services explained that NBRC holds staff meetings annually where employees are notified of NBRC’s open door policy but was not aware of the requirements to notify employees of the Whistleblower policies annually.

NBRC took corrective action and sent Whistleblower Policy via e-mail to its employees instructing them to read and sign a Whistleblower acknowledgement form.

The State Contract, Article I, Sections 18(b)(6) and (c) states:

- “(b)(6) Include a process for ensuring notification of employees, board members, consumers/families, and vendor community of both the regional center and the State’s Whistleblower policy within 30 days of the effective date of the regional center’s policy and annually thereafter.
- (c) In addition, Contractor shall ensure that the regional center’s and the State’s Whistleblower Policies are posted on the regional center’s website by January 15, 2011.”

Recommendation:

NBRC must ensure employees are notified of both the RC and the State’s Whistleblower policy annually.

EVALUATION OF RESPONSE

As part of the audit report process, NBRC was provided with a draft audit report and was requested to provide a response to each finding. NBRC's response dated December 14, 2015, is provided as Appendix A. This report includes the complete text of the findings in the Findings and Recommendations section, as well as a summary of the findings in the Executive Summary section.

DDS' Audit Branch has evaluated NBRC's response. Except as noted below, NBRC's response addressed the audit findings and provided reasonable assurance that corrective action would be taken to resolve the issues. DDS' Audit Branch will confirm NBRC's corrective actions identified in the response during the follow-up review of the next scheduled audit.

Finding 1: Negotiated Rate Above the Statewide Median Rate

NBRC provided documentation with its response indicating an overpayment totaling \$212,622.22 has been resolved with \$6,792.58 still outstanding. In addition, NBRC stated that it has established a Resource Development Department to ensure vendor rates are in compliance with the Statewide Median rates.

Finding 2: Services Provided to Consumer Not Authorized by NBRC

NBRC stated that training has been provided to its service coordinators and supervisors to ensure compliance with W&I Code 4646(a). In addition, NBRC indicated that it has consolidated UCP's services from four vendorizations to two. DDS will conduct a follow-up review during the next scheduled audit to determine if consumer services and location match the consumer's IPP.

Finding 3: Unsupported Credit Card Expenditures

NBRC stated procedures have been implemented to account for all credit card expenditures, but did not address the \$6,594.48 for the unsupported credit card expenditures that were either missing receipts or had insufficient documentation to support the expenses claimed to the State. NBRC must reimburse DDS \$6,594.48 for the unsupported expenditures and provide DDS with a copy of its implemented credit card procedures.

Finding 4: Client Trust Balances Over \$2,000

NBRC stated it has outsourced its representative payee services to New Leaf. Included in New Leaf's process is that service coordinators will be notified when the consumer's account reaches \$1,500 to prevent the consumer trust account from exceeding the \$2,000 resource limit.

Finding 5: Targeted Case Management

A. Time Study – Recording of Attendance

NBRC provided revised DS 1916 forms to DDS on October 31, 2014. In addition, NBRC stated it will conduct training for its service coordinators triennially to ensure accuracy. Further, NBRC stated that it will reconcile employee time to ensure vacation and sick time is accurate prior to submitting its Time Study worksheets to DDS. DDS will conduct a follow-up review during the next scheduled audit to determine if employee timesheets reconcile to the TCM Time Study forms.

B. Rate Study – Expenses Did Not Match to the Year-End General Ledger

NBRC agrees with the finding. DDS will conduct a follow-up review during the next scheduled audit to determine if the TCM Rate Study worksheets reconcile to the Year-End General Ledger.

Finding 6: Family Cost Participation Program - Overstated Share of Cost

NBRC agrees with the finding. NBRC must reimburse DDS \$416.60 for overpaying its share of cost.

Finding 7: Missing Annual Family Program Fee Registration Forms

NBRC stated that new procedures have been implemented and that it has assigned its internal accountant to monitor the AFPP program to ensure a DS 6009 form is on file for each consumer enrolled in the program. DDS will conduct a follow-up review during the next scheduled audit to determine if the missing DS 6009 forms have been completed.

Finding 8: Service Coordinator Caseload Ratios

A. Vacant Positions Included in the Service Coordinator Caseload Ratios

NBRC agrees with the finding that it included vacant positions when it calculated its caseload ratios. DDS will conduct a follow-up review during the next scheduled audit to determine if this issue has been resolved.

B. Service Coordinator Caseload Ratio Documentation Not Retained

NBRC agrees with the finding. DDS will conduct a follow-up review during the next scheduled audit to determine if NBRC is maintaining the Service Coordinator Caseload Ratio documentation.

Finding 9: Board Approved Policies and Procedures

A. Policies and Procedures for Procurement

NBRC agrees with the finding and has taken corrective action to include the provision requiring the Board to approve contracts of \$250,000 or more. In addition, NBRC has posted its procurement policy on its website.

B. Transparency and Public Access to Information Policy

NBRC agrees with the finding and has its Transparency and Public Access to Information Policy posted on its website. However, DDS could not verify if the policy was approved by the Board. DDS will conduct a follow-up review during the next scheduled audit to determine if the Transparency and Public Access to Information Policy was approved by the Board.

Finding 10: Lack of Minutes for Closed Board Meetings

NBRC agrees with the finding. DDS will conduct a follow-up review during the next scheduled audit to determine if minutes are maintained.

Finding 11: Lack of Medi-Cal Reimbursement Procedures

NBRC agrees with the finding and stated procedures are being developed to ensure generic resources are utilized and that it is the payor of last resort. DDS will conduct a follow-up review during the next scheduled audit to determine if this issue has been resolved.

Finding 12: Vendors Not Enrolled in Electronic Billing

NBRC stated they now have a Resource Development Department consisting of two vendor coordinators to ensure the vendorization process is followed. DDS will conduct a follow-up review during the next scheduled audit to determine if the remaining vendors have been enrolled in electronic billing.

Finding 13: Equipment Capitalization

NBRC stated it has redesigned its fixed asset and inventory system to track assets over \$5,000 to ensure it reconciles to the general ledger. DDS will conduct a follow-up review during the next scheduled audit to determine if only items valued at, or above, \$5,000 are capitalized.

Finding 14: Home and Community-Based Services Provider Agreement Forms

NBRC stated they now have a Resource Development Department consisting of two vendor coordinators to ensure the vendorization process is followed. This

department will ensure vendorizations are complete. DDS will conduct a follow-up review during the next scheduled audit to determine if the eight vendors now have HCBS Provider Agreement forms.

Finding 15: Vendor Applications and Applicant/Vendor Disclosure Statements

NBRC stated they now have a Resource Development Department consisting of two vendor coordinators to ensure the vendorization process is followed. This department will ensure vendorizations are complete. DDS will conduct a follow-up review during the next scheduled audit to determine if this issue has been resolved.

Finding 16: Missing Vendor Files, Contracts/Rate Letters and Proof of Insurance

NBRC stated they now have a Resource Development Department consisting of two vendor coordinators to ensure that all vendorizations are complete. DDS will conduct a follow-up review during the next scheduled audit to determine if this issue has been resolved.

Finding 17: Multiple Dates of Death

NBRC stated it has implemented a checklist to ensure dates of death are entered into the system accurately. DDS will conduct a follow-up review during the next scheduled audit to determine if this issue has been resolved.

Finding 18: Lack of Written Policies and Procedures

NBRC stated it has eliminated the petty cash. DDS will conduct a follow-up review during the next scheduled audit to verify that petty cash has been eliminated.

North Bay Regional Center
Negotiated Rate Above the Statewide Median Rate
Fiscal Years 2012-13 and 2013-14

No.	Vendor Number	Vendor Name	Service Code	Sub Code	Payment Period	POS Amount	Payment Rate Paid	Units	Statewide Median Rate	Over Payments	Corrected Amount	Outstanding Balance
1	PN0697	Association of Behavioral Consultants	048	00T	Apr-09	\$1,016.75	\$0.49	2,290.00	\$0.33	\$332.42	\$332.42	\$0.00
2	PN0697	Association of Behavioral Consultants	048	00T	May-09	\$2,516.89	\$0.49	5,136.51	\$0.33	\$822.87	\$822.87	\$0.00
3	PN0697	Association of Behavioral Consultants	048	00T	Jun-09	\$3,542.46	\$0.49	7,229.51	\$0.33	\$1,158.17	\$1,158.17	\$0.00
4	PN0697	Association of Behavioral Consultants	048	00T	Jul-09	\$4,354.14	\$0.49	8,886.00	\$0.33	\$1,423.54	\$1,423.54	\$0.00
5	PN0697	Association of Behavioral Consultants	048	00T	Aug-09	\$5,423.33	\$0.49	11,068.02	\$0.33	\$1,773.10	\$1,773.10	\$0.00
6	PN0697	Association of Behavioral Consultants	048	00T	Sep-09	\$5,335.61	\$0.49	10,889.00	\$0.33	\$1,744.42	\$1,744.42	\$0.00
7	PN0697	Association of Behavioral Consultants	048	00T	Oct-09	\$7,341.68	\$0.49	14,983.02	\$0.33	\$2,400.28	\$2,400.28	\$0.00
8	PN0697	Association of Behavioral Consultants	048	00T	Nov-09	\$7,876.48	\$0.49	16,074.45	\$0.33	\$2,575.13	\$2,575.13	\$0.00
9	PN0697	Association of Behavioral Consultants	048	00T	Dec-09	\$9,489.84	\$0.49	19,367.02	\$0.33	\$3,102.60	\$3,102.60	\$0.00
10	PN0697	Association of Behavioral Consultants	048	00T	Jan-10	\$11,501.09	\$0.49	23,471.61	\$0.33	\$3,760.15	\$3,760.15	\$0.00
11	PN0697	Association of Behavioral Consultants	048	00T	Feb-10	\$11,549.13	\$0.49	23,569.65	\$0.33	\$3,775.86	\$3,775.86	\$0.00
12	PN0697	Association of Behavioral Consultants	048	00T	Mar-10	\$13,089.62	\$0.49	26,713.51	\$0.33	\$4,279.50	\$4,279.50	\$0.00
13	PN0697	Association of Behavioral Consultants	048	00T	Apr-10	\$12,172.58	\$0.49	24,842.00	\$0.33	\$3,979.69	\$3,979.69	\$0.00
14	PN0697	Association of Behavioral Consultants	048	00T	May-10	\$13,431.39	\$0.49	27,411.00	\$0.33	\$4,391.24	\$4,391.24	\$0.00
15	PN0697	Association of Behavioral Consultants	048	00T	Jun-10	\$13,288.31	\$0.49	27,119.00	\$0.33	\$4,344.46	\$4,344.46	\$0.00
16	PN0697	Association of Behavioral Consultants	048	00T	Jul-10	\$13,428.48	\$0.48	27,972.39	\$0.33	\$4,320.89	\$4,320.89	\$0.00
17	PN0697	Association of Behavioral Consultants	048	00T	Aug-10	\$13,527.99	\$0.48	28,183.31	\$0.33	\$4,352.91	\$4,352.91	\$0.00
18	PN0697	Association of Behavioral Consultants	048	00T	Sep-10	\$10,940.64	\$0.48	22,793.00	\$0.33	\$3,520.38	\$3,520.38	\$0.00
19	PN0697	Association of Behavioral Consultants	048	00T	Oct-10	\$12,029.71	\$0.48	25,061.90	\$0.33	\$3,870.81	\$3,870.81	\$0.00
20	PN0697	Association of Behavioral Consultants	048	00T	Nov-10	\$12,107.04	\$0.48	25,223.00	\$0.33	\$3,895.69	\$3,895.69	\$0.00
21	PN0697	Association of Behavioral Consultants	048	00T	Dec-10	\$13,424.64	\$0.48	27,968.00	\$0.33	\$4,319.66	\$4,319.66	\$0.00
22	PN0697	Association of Behavioral Consultants	048	00T	Jan-11	\$14,277.39	\$0.48	29,744.56	\$0.33	\$4,594.05	\$4,594.05	\$0.00
23	PN0697	Association of Behavioral Consultants	048	00T	Feb-11	\$12,648.00	\$0.48	26,350.00	\$0.33	\$4,069.76	\$4,069.76	\$0.00
24	PN0697	Association of Behavioral Consultants	048	00T	Mar-11	\$15,328.80	\$0.48	31,935.00	\$0.33	\$4,932.36	\$4,932.36	\$0.00
25	PN0697	Association of Behavioral Consultants	048	00T	Apr-11	\$14,093.76	\$0.48	29,362.00	\$0.33	\$4,534.96	\$4,534.96	\$0.00
26	PN0697	Association of Behavioral Consultants	048	00T	May-11	\$15,468.96	\$0.48	32,227.00	\$0.33	\$4,977.46	\$4,977.46	\$0.00
27	PN0697	Association of Behavioral Consultants	048	00T	Jun-11	\$16,764.96	\$0.48	34,927.00	\$0.33	\$5,394.48	\$5,394.48	\$0.00
28	PN0697	Association of Behavioral Consultants	048	00T	Jul-11	\$14,129.69	\$0.48	29,436.85	\$0.33	\$4,546.52	\$4,546.52	\$0.00
29	PN0697	Association of Behavioral Consultants	048	00T	Aug-11	\$15,685.37	\$0.48	32,677.85	\$0.33	\$5,047.09	\$5,047.09	\$0.00
30	PN0697	Association of Behavioral Consultants	048	00T	Sep-11	\$12,016.67	\$0.48	25,034.73	\$0.33	\$3,866.61	\$3,866.61	\$0.00
31	PN0697	Association of Behavioral Consultants	048	00T	Oct-11	\$10,416.13	\$0.48	21,700.27	\$0.33	\$3,351.61	\$3,351.61	\$0.00
32	PN0697	Association of Behavioral Consultants	048	00T	Nov-11	\$10,267.33	\$0.48	21,390.27	\$0.33	\$3,303.73	\$3,303.73	\$0.00
33	PN0697	Association of Behavioral Consultants	048	00T	Dec-11	\$11,342.39	\$0.48	23,629.98	\$0.33	\$3,649.65	\$3,649.65	\$0.00

North Bay Regional Center
Negotiated Rate Above the Statewide Median Rate
Fiscal Years 2012-13 and 2013-14

No.	Vendor Number	Vendor Name	Service Code	Sub Code	Payment Period	POS Amount	Payment Rate Paid	Units	Statewide Median Rate	Over Payments	Corrected Amount	Outstanding Balance
34	PN0697	Association of Behavioral Consultants	048	00T	Jan-12	\$9,478.51	\$0.48	19,746.90	\$0.33	\$3,049.91	\$3,049.91	\$0.00
35	PN0697	Association of Behavioral Consultants	048	00T	Feb-12	\$9,926.73	\$0.48	20,680.69	\$0.33	\$3,194.13	\$3,194.13	\$0.00
36	PN0697	Association of Behavioral Consultants	048	00T	Mar-12	\$10,862.82	\$0.48	22,630.88	\$0.33	\$3,495.34	\$3,495.34	\$0.00
37	PN0697	Association of Behavioral Consultants	048	00T	Apr-12	\$12,216.82	\$0.48	25,451.71	\$0.33	\$3,931.02	\$3,931.02	\$0.00
38	PN0697	Association of Behavioral Consultants	048	00T	May-12	\$11,107.41	\$0.48	23,140.44	\$0.33	\$3,574.04	\$3,574.04	\$0.00
39	PN0697	Association of Behavioral Consultants	048	00T	Jun-12	\$10,771.56	\$0.48	22,440.75	\$0.33	\$3,465.97	\$3,465.97	\$0.00
40	PN0697	Association of Behavioral Consultants	048	00T	Jul-12	\$12,549.77	\$0.50	25,099.54	\$0.34	\$4,122.60	\$4,122.60	\$0.00
41	PN0697	Association of Behavioral Consultants	048	00T	Aug-12	\$13,472.68	\$0.50	26,945.36	\$0.34	\$4,425.78	\$4,425.78	\$0.00
42	PN0697	Association of Behavioral Consultants	048	00T	Sep-12	\$11,273.17	\$0.50	22,546.34	\$0.34	\$3,703.24	\$3,703.24	\$0.00
43	PN0697	Association of Behavioral Consultants	048	00T	Oct-12	\$14,933.66	\$0.50	29,867.32	\$0.34	\$4,905.71	\$4,905.71	\$0.00
44	PN0697	Association of Behavioral Consultants	048	00T	Nov-12	\$11,368.46	\$0.50	22,736.92	\$0.34	\$3,734.54	\$3,734.54	\$0.00
45	PN0697	Association of Behavioral Consultants	048	00T	Dec-12	\$10,655.98	\$0.50	21,311.96	\$0.34	\$3,500.49	\$3,500.49	\$0.00
46	PN0697	Association of Behavioral Consultants	048	00T	Jan-13	\$10,187.43	\$0.50	20,374.86	\$0.34	\$3,346.57	\$3,346.57	\$0.00
47	PN0697	Association of Behavioral Consultants	048	00T	Feb-13	\$10,185.00	\$0.50	20,370.00	\$0.34	\$3,345.77	\$3,345.77	\$0.00
48	PN0697	Association of Behavioral Consultants	048	00T	Mar-13	\$10,872.17	\$0.50	21,744.34	\$0.34	\$3,571.51	\$3,571.51	\$0.00
49	PN0697	Association of Behavioral Consultants	048	00T	Apr-13	\$10,355.02	\$0.50	20,710.04	\$0.34	\$3,401.62	\$3,401.62	\$0.00
50	PN0697	Association of Behavioral Consultants	048	00T	May-13	\$11,030.89	\$0.50	22,061.78	\$0.34	\$3,623.65	\$3,623.65	\$0.00
51	PN0697	Association of Behavioral Consultants	048	00T	Jun-13	\$10,561.05	\$0.50	21,122.10	\$0.34	\$3,469.30	\$3,469.30	\$0.00
52	PN0697	Association of Behavioral Consultants	048	00T	Jul-13	\$11,446.03	\$0.51	22,443.20	\$0.34	\$3,815.34	\$3,815.34	\$0.00
53	PN0697	Association of Behavioral Consultants	048	00T	Aug-13	\$9,263.04	\$0.51	18,162.82	\$0.34	\$3,087.68	\$3,087.68	\$0.00
54	PN0697	Association of Behavioral Consultants	048	00T	Sep-13	\$9,617.87	\$0.51	18,858.57	\$0.34	\$3,205.96	\$3,205.96	\$0.00
55	PN0697	Association of Behavioral Consultants	048	00T	Oct-13	\$9,963.74	\$0.51	19,536.75	\$0.34	\$3,321.25	\$3,321.25	\$0.00
56	PN0697	Association of Behavioral Consultants	048	00T	Nov-13	\$7,735.24	\$0.51	15,167.14	\$0.34	\$2,578.41	\$2,578.41	\$0.00
57	PN0697	Association of Behavioral Consultants	048	00T	Dec-13	\$7,165.56	\$0.51	14,050.12	\$0.34	\$2,388.52	\$2,388.52	\$0.00
58	PN0697	Association of Behavioral Consultants	048	00T	Jan-14	\$8,820.40	\$0.51	17,294.90	\$0.34	\$2,940.13	\$2,940.13	\$0.00
59	PN0697	Association of Behavioral Consultants	048	00T	Feb-14	\$8,256.50	\$0.51	16,189.22	\$0.34	\$2,752.17	\$2,752.17	\$0.00
60	PN0697	Association of Behavioral Consultants	048	00T	Mar-14	\$7,578.06	\$0.51	14,858.94	\$0.34	\$2,526.02	\$2,526.02	\$0.00
61	PN0697	Association of Behavioral Consultants	048	00T	Apr-14	\$10,423.38	\$0.51	20,438.00	\$0.34	\$3,474.46	\$3,474.46	\$0.00
62	PN0697	Association of Behavioral Consultants	048	00T	May-14	\$9,889.68	\$0.51	19,133.53	\$0.34	\$3,252.70	\$259.06	\$2,993.64
63	PN0697	Association of Behavioral Consultants	048	00T	Jun-14	\$11,396.82	\$0.51	22,346.71	\$0.34	\$3,798.94	\$0.00	\$3,798.94
Total Overpayment for PN0697										\$219,414.80	\$212,622.22	\$6,792.58
64	HN0263	Cole Vocational Services	880		Feb-09	\$1,027.08	\$28.53	36.00	\$16.08	\$448.20	\$448.20	\$0.00
65	HN0263	Cole Vocational Services	880		Mar-09	\$627.66	\$28.53	22.00	\$16.08	\$273.84	\$273.84	\$0.00

North Bay Regional Center
Negotiated Rate Above the Statewide Median Rate
Fiscal Years 2012-13 and 2013-14

No.	Vendor Number	Vendor Name	Service Code	Sub Code	Payment Period	POS Amount	Payment Rate Paid	Units	Statewide Median Rate	Over Payments	Corrected Amount	Outstanding Balance
66	HN0263	Cole Vocational Services	880		Apr-09	\$1,084.14	\$28.53	38.00	\$16.08	\$473.00	\$473.00	\$0.00
67	HN0263	Cole Vocational Services	880		May-09	\$1,141.20	\$28.53	40.00	\$16.08	\$497.90	\$497.90	\$0.00
68	HN0263	Cole Vocational Services	880		Jun-09	\$1,027.08	\$28.53	36.00	\$16.08	\$448.11	\$448.11	\$0.00
69	HN0263	Cole Vocational Services	880		Jul-09	\$839.07	\$28.53	29.41	\$16.08	\$366.08	\$366.08	\$0.00
70	HN0263	Cole Vocational Services	880		Aug-09	\$1,084.14	\$28.53	38.00	\$16.08	\$473.00	\$473.00	\$0.00
71	HN0263	Cole Vocational Services	880		Sep-09	\$1,141.20	\$28.53	40.00	\$16.08	\$497.90	\$497.90	\$0.00
72	HN0263	Cole Vocational Services	880		Oct-09	\$1,084.14	\$28.53	38.00	\$16.08	\$473.00	\$473.00	\$0.00
73	HN0263	Cole Vocational Services	880		Nov-09	\$970.02	\$28.53	34.00	\$16.08	\$423.21	\$423.21	\$0.00
74	HN0263	Cole Vocational Services	880		Dec-09	\$1,084.14	\$28.53	38.00	\$16.08	\$473.00	\$473.00	\$0.00
75	HN0263	Cole Vocational Services	880		Jan-10	\$970.02	\$28.53	34.00	\$16.08	\$423.21	\$423.21	\$0.00
76	HN0263	Cole Vocational Services	880		Feb-10	\$1,027.08	\$28.53	36.00	\$16.08	\$448.11	\$448.11	\$0.00
77	HN0263	Cole Vocational Services	880		Mar-10	\$1,255.32	\$28.53	44.00	\$16.08	\$547.69	\$547.69	\$0.00
78	HN0263	Cole Vocational Services	880		Apr-10	\$1,141.20	\$28.53	40.00	\$16.08	\$497.90	\$497.90	\$0.00
79	HN0263	Cole Vocational Services	880		May-10	\$1,141.20	\$28.53	40.00	\$16.08	\$497.90	\$497.90	\$0.00
80	HN0263	Cole Vocational Services	880		Jun-10	\$1,141.20	\$28.53	40.00	\$16.08	\$497.90	\$497.90	\$0.00
81	HN0263	Cole Vocational Services	880		Jul-10	\$1,126.40	\$28.16	40.00	\$15.88	-\$143.63	-\$143.63	\$0.00
82	HN0263	Cole Vocational Services	880		Aug-10	\$1,126.40	\$28.16	40.00	\$15.88	-\$143.63	-\$143.63	\$0.00
83	HN0263	Cole Vocational Services	880		Sep-10	\$1,126.40	\$28.16	40.00	\$15.88	-\$143.63	-\$143.63	\$0.00
84	HN0263	Cole Vocational Services	880		Oct-10	\$1,126.40	\$28.16	40.00	\$15.88	\$491.39	\$491.39	\$0.00
85	HN0263	Cole Vocational Services	880		Nov-10	\$1,126.40	\$28.16	40.00	\$15.88	\$491.39	\$491.39	\$0.00
86	HN0263	Cole Vocational Services	880		Dec-10	\$1,126.40	\$28.16	40.00	\$15.88	\$491.39	\$491.39	\$0.00
87	HN0263	Cole Vocational Services	880		Jan-11	\$1,126.40	\$28.16	40.00	\$15.88	\$491.39	\$491.39	\$0.00
88	HN0263	Cole Vocational Services	880		Feb-11	\$1,126.40	\$28.16	40.00	\$15.88	\$491.39	\$491.39	\$0.00
89	HN0263	Cole Vocational Services	880		Mar-11	\$1,126.40	\$28.16	40.00	\$15.88	\$491.39	\$491.39	\$0.00
90	HN0263	Cole Vocational Services	880		Apr-11	\$1,126.40	\$28.16	40.00	\$15.88	\$491.39	\$491.39	\$0.00
91	HN0263	Cole Vocational Services	880		May-11	\$1,126.40	\$28.16	40.00	\$15.88	\$491.39	\$491.39	\$0.00
92	HN0263	Cole Vocational Services	880		Jun-11	\$1,126.40	\$28.16	40.00	\$15.88	\$491.39	\$491.39	\$0.00
93	HN0263	Cole Vocational Services	880		Jul-11	\$1,126.40	\$28.16	40.00	\$15.88	\$491.39	\$491.39	\$0.00
94	HN0263	Cole Vocational Services	880		Aug-11	\$854.94	\$28.16	30.36	\$15.88	\$372.96	\$372.96	\$0.00
95	HN0263	Cole Vocational Services	880		Sep-11	\$591.36	\$28.16	21.00	\$15.88	\$257.98	\$257.98	\$0.00
96	HN0263	Cole Vocational Services	880		Oct-11	\$563.20	\$28.16	20.00	\$15.88	\$245.69	\$245.69	\$0.00
97	HN0263	Cole Vocational Services	880		Nov-11	\$535.04	\$28.16	19.00	\$15.88	\$233.41	\$233.41	\$0.00
98	HN0263	Cole Vocational Services	880		Dec-11	\$422.40	\$28.16	15.00	\$15.88	\$184.27	\$184.27	\$0.00

North Bay Regional Center
Negotiated Rate Above the Statewide Median Rate
Fiscal Years 2012-13 and 2013-14

No.	Vendor Number	Vendor Name	Service Code	Sub Code	Payment Period	POS Amount	Payment Rate Paid	Units	Statewide Median Rate	Over Payments	Corrected Amount	Outstanding Balance
99	HN0263	Cole Vocational Services	880		Jan-12	\$140.80	\$28.16	5.00	\$15.88	\$61.42	\$61.42	\$0.00
100	HN0263	Cole Vocational Services	880		Feb-12	\$140.80	\$28.16	5.00	\$15.88	\$61.42	\$61.42	\$0.00
101	HN0263	Cole Vocational Services	880		Apr-12	\$957.44	\$28.16	34.00	\$15.88	\$417.68	\$417.68	\$0.00
102	HN0263	Cole Vocational Services	880		May-12	\$872.96	\$28.16	31.00	\$15.88	\$380.82	\$380.82	\$0.00
103	HN0263	Cole Vocational Services	880		Jun-12	\$985.60	\$28.16	35.00	\$15.88	\$429.96	\$429.96	\$0.00
104	HN0263	Cole Vocational Services	880		Sep-12	\$1,477.24	\$29.05	51.00	\$16.37	\$642.23	\$642.23	\$0.00
105	HN0263	Cole Vocational Services	880		Oct-12	\$1,586.40	\$29.05	52.00	\$16.37	\$735.02	\$735.02	\$0.00
106	HN0263	Cole Vocational Services	880		Nov-12	\$1,144.52	\$29.05	39.00	\$16.37	\$505.98	\$505.98	\$0.00
107	HN0263	Cole Vocational Services	880		Dec-12	\$1,675.51	\$29.05	58.00	\$16.37	\$725.89	\$725.89	\$0.00
108	HN0263	Cole Vocational Services	880		Jan-13	\$2,014.91	\$29.05	59.00	\$16.37	\$1,048.92	\$1,048.92	\$0.00
109	HN0263	Cole Vocational Services	880		Feb-13	\$1,540.29	\$29.05	40.00	\$16.37	\$885.38	\$885.38	\$0.00
110	HN0263	Cole Vocational Services	880		Mar-13	\$1,596.48	\$29.05	51.00	\$16.37	\$761.47	\$761.47	\$0.00
111	HN0263	Cole Vocational Services	880		Apr-13	\$1,213.04	\$29.05	42.00	\$16.37	\$525.38	\$525.38	\$0.00
112	HN0263	Cole Vocational Services	880		May-13	\$2,026.23	\$29.05	59.00	\$16.37	\$1,060.24	\$1,060.24	\$0.00
113	HN0263	Cole Vocational Services	880		Jun-13	\$1,304.50	\$29.05	45.00	\$16.37	\$567.73	\$567.73	\$0.00
114	HN0263	Cole Vocational Services	880		Jul-13	\$1,247.52	\$29.41	42.00	\$16.58	\$551.16	\$551.16	\$0.00
115	HN0263	Cole Vocational Services	880		Aug-13	\$2,218.57	\$29.41	72.00	\$16.58	\$1,024.81	\$1,024.81	\$0.00
116	HN0263	Cole Vocational Services	880		Sep-13	\$1,930.88	\$29.41	75.00	\$16.58	\$687.38	\$687.38	\$0.00
117	HN0263	Cole Vocational Services	880		Oct-13	\$2,291.66	\$29.41	87.00	\$16.58	\$849.20	\$849.20	\$0.00
118	HN0263	Cole Vocational Services	880		Nov-13	\$2,007.07	\$29.41	68.00	\$16.58	\$879.63	\$879.63	\$0.00
119	HN0263	Cole Vocational Services	880		Dec-13	\$2,423.03	\$29.41	83.00	\$16.58	\$1,046.89	\$1,046.89	\$0.00
120	HN0263	Cole Vocational Services	880		Jan-14	\$2,841.05	\$29.41	105.00	\$16.58	\$1,100.15	\$1,100.15	\$0.00
121	HN0263	Cole Vocational Services	880		Feb-14	\$2,475.14	\$29.41	89.50	\$16.58	\$991.23	\$991.23	\$0.00
122	HN0263	Cole Vocational Services	880		Mar-14	\$2,500.33	\$29.41	96.00	\$16.58	\$908.65	\$908.65	\$0.00
123	HN0263	Cole Vocational Services	880		Apr-14	\$3,004.56	\$29.41	108.00	\$16.58	\$1,213.92	\$1,213.92	\$0.00
124	HN0263	Cole Vocational Services	880		May-14	\$2,809.99	\$29.41	103.00	\$16.58	\$1,102.25	\$1,102.25	\$0.00
125	HN0263	Cole Vocational Services	880		Jun-14	\$2,696.98	\$29.41	101.00	\$16.58	\$1,022.40	\$1,022.40	\$0.00
Total Overstated Claims for HN0263										\$33,724.44	\$33,724.44	\$0.00
Total Overstated Claims										\$253,139.24	\$246,346.66	\$6,792.58

**North Bay Regional Center
Unsupported Credit Card Expenditures
Fiscal Years 2012-13 and 2013-14**

No.	Merchant	Transaction Month	Transaction Amount
Missing Detailed Receipts			
1	Ristorante La Strada	Jun-13	\$132.00
2	Graces Table	Jun-13	\$92.76
3	Ristorante La Strada	Jun-13	\$148.20
4	Las Guitarras	Jul-13	\$63.70
5	Eagle Vines Golf Club	Jul-13	\$95.39
6	Goji Kitchen	Jul-13	\$89.93
7	Granzella's	Jul-13	\$39.43
8	Chardonnay Golf Club	Aug-13	\$500.00
9	BLU*North Bay Regional	Aug-13	\$14.99
10	Ristorante La Strada	Aug-13	\$129.89
11	Eagle Vines Golf Club	Aug-13	\$84.60
12	Ristorante La Strada	Sep-13	\$101.10
13	Ristorante La Strada	Sep-13	\$166.02
14	Goji Kitchen	Sep-13	\$103.70
15	Eagle Vines Golf Club	Sep-13	\$32.59
16	Apollo-Furniture Assem	Oct-13	\$210.00
17	Embassy Suites LAX	Oct-13	\$322.04
18	ES Dining LAX	Oct-13	\$109.38
19	Ristorante La Strada	Oct-13	\$191.57
20	Vallejo's Restaurants	Oct-13	\$62.46
21	Garden Court Café	Nov-13	\$55.63
22	Eagle Vines Golf Club	Nov-13	\$42.26
23	Eagle Vines Golf Club	Nov-13	\$135.94
24	Ristorante La Strada	Nov-13	\$173.66
25	Monti's Rotisserie	Nov-13	\$61.66
26	Eagle Vines Golf Club	Dec-13	\$34.08
27	Eagle Vines Golf Club	Dec-13	\$77.61
28	Esquire Grill	Dec-13	\$399.67
29	Esquire Grill	Dec-13	\$399.67
30	Scandia Bakery	Dec-13	\$44.85
31	The Swiss Hotel	Dec-13	\$34.56
32	The Swiss Hotel	Dec-13	\$34.56
33	Ristorante La Strada	Dec-13	\$54.25
34	BOCA Steak	Jan-14	\$83.94
35	Ristorante La Strada	Jan-14	\$151.44
36	The Red Grape	Jan-14	\$42.56
37	Vallejo's Restaurants	Jan-14	\$51.35

**North Bay Regional Center
Unsupported Credit Card Expenditures
Fiscal Years 2012-13 and 2013-14**

No.	Merchant	Transaction Month	Transaction Amount
38	Buttercup Grill & Bar	Feb-14	\$31.25
39	Jalos Restaurant	Mar-14	\$35.29
40	Chops Steakhouse	Mar-14	\$76.73
41	Vinyards Inn	Mar-14	\$54.38
42	The Red Grape	Apr-14	\$36.78
43	Paul Martins Els	Apr-14	\$76.49
44	BOCA Steak	Apr-14	\$82.58
45	Uncle Als Hwy 29 Café	Apr-14	\$27.84
46	Jalos Restaurant	Apr-14	\$40.57
47	Ristorante Allegria	Apr-14	\$267.56
48	Maya Restaurant	May-14	\$53.40
49	Eagle Vines Golf Club	May-14	\$39.08
Sub Total			\$5,389.39
Missing Receipts			
1	Fred Prior Seminar	Nov-13	\$149.00
2	Fred Prior Seminar	Dec-13	\$199.00
3	Ristorante La Strada	Dec-13	\$54.25
4	Depot Hotel Restaurant	Jan-14	\$118.72
5	Res Hotel Savings.com	Mar-14	\$342.06
6	Res Hotel Savings.com	Mar-14	\$342.06
Sub Total			\$1,205.09
Total			\$6,594.48

**North Bay Regional Center
Client Trust Balances Over \$2,000
Fiscal Years 2012-13 and 2013-14**

No.	Unique Client Identification	Balance Over \$2,000 as of 8/31/14	Funding From SSI/SSA
1	7174033	\$ 3,468.55	SSI/SSA
2	7184028	\$ 3,230.45	SSI
3	7197336	\$ 3,540.55	SSI
4	7173380	\$ 12,771.62	SSI/SSA
5	7198093	\$ 6,422.65	SSI
6	6602926	\$ 5,969.51	SSI
7	7188333	\$ 2,799.63	SSI
8	7185082	\$ 5,028.77	SSI
9	7177254	\$ 8,192.45	SSI/SSA
10	7191254	\$ 7,577.24	SSI
11	7190471	\$ 4,510.40	SSI
12	7196519	\$ 5,143.54	SSI/SSA
13	7181234	\$ 3,824.95	SSI/SSA
14	7172072	\$ 3,436.63	SSI
15	7199387	\$ 6,169.84	SSI

**North Bay Regional Center
Targeted Case Management Time Study
Fiscal Years 2012-13 and 2013-14**

No.	Service Coordinator	DS1916 Forms					Time Sheet			Time Off Difference	Total Hours Difference
		Allowable	Unallowable Hours	Other Hours	Time Off	Total Hours	Regular Hours	Vacation Holiday & Sick Hours	Total Hours		
1	DA	143.00	28.25	9.50	4.00	184.75	176.00	8.00	184.00	(4.00)	0.75
2	CB	120.00	11.85	28.15	24.00	184.00	164.00	20.00	184.00	4.00	0.00
3	CC	96.00	37.50	6.50	44.00	184.00	143.00	41.00	184.00	3.00	0.00
4	MC	104.00	68.00	0.00	14.00	186.00	176.00	8.00	184.00	6.00	2.00
5	SD	133.75	20.25	2.00	28.00	184.00	160.00	24.00	184.00	4.00	0.00
6	KG	118.25	15.25	38.50	12.00	184.00	174.00	10.00	184.00	2.00	0.00
7	RG	132.00	2.50	16.00	33.50	184.00	152.00	32.00	184.00	1.50	0.00
8	OH	81.00	7.00	0.00	96.00	184.00	80.00	104.00	184.00	(8.00)	0.00
9	MJ	143.50	20.50	3.00	17.00	184.00	171.00	13.00	184.00	4.00	0.00
10	CP	93.00	46.25	32.75	12.00	184.00	176.00	8.00	184.00	4.00	0.00
11	SP	125.50	13.00	4.00	32.00	248.00	160.00	24.00	184.00	8.00	64.00
12	ER	116.25	25.75	5.00	57.00	204.00	151.00	53.00	204.00	4.00	0.00
13	DR	139.75	19.60	10.65	14.00	184.00	176.00	8.00	184.00	6.00	0.00
14	MS	159.50	4.75	13.75	24.00	202.00	161.00	16.00	177.00	8.00	25.00
15	DT	111.75	6.50	13.25	71.50	203.00	130.50	54.50	185.00	17.00	18.00
16	VW	109.50	39.00	5.50	30.00	184.00	153.50	30.00	183.50	0.00	0.50
17	TB	127.25	2	21.25	33.5	184.00	154.50	29.50	184.00	4.00	0.00
18	JB	121.00	35	5.5	24.5	186.00	160.00	24.00	184.00	0.50	2.00
19	CD	81.25	10.25	20.5	72	184.00	112.50	16.50	129.00	55.50	55.00
20	BD	111.75	40.25	4	28	184.00	148.50	35.50	184.00	(7.50)	0.00
21	CG	148.00	15	5.5	15.5	184.00	172.50	11.50	184.00	4.00	0.00
22	RH	8.75	106	40.25	29	184.00	157.00	27.00	184.00	2.00	0.00
23	AH	112.25	9.25	41	28	190.50	158.00	26.00	184.00	2.00	6.50
24	BJ	77.00	34	25	112	248.00	136.00	48.00	184.00	64.00	64.00
25	ED	121.00	17	22	28	188.00	160.00	24.00	184.00	4.00	4.00

**North Bay Regional Center
Targeted Case Managemnt Time Study
Fiscal Years 2012-13 and 2013-14**

No.	Service Coordinator	DS1916 Forms					Time Sheet			Time Off Difference	Total Hours Difference
		Allowable	Unallowable Hours	Other Hours	Time Off	Total Hours	Regular Hours	Vacation Holiday & Sick Hours	Total Hours		
26	HP	98.75	49.25	8	28	184.00	160.00	24.00	184.00	4.00	0.00
27	JR	147.00	5.5	3.5	28	184.00	160.00	24.00	184.00	4.00	0.00
Total Hours Over											241.75
28	JB	106.25	17.50	24.25	36.00	184.00	147.50	38.00	185.50	(2.00)	(1.50)
29	DC	127.00	15.00	2.00	32.00	176.00	152.00	32.00	184.00	0.00	(8.00)
30	BE	113.25	0.00	36.75	26.00	176.00	148.50	35.50	184.00	(9.50)	(8.00)
31	MF	156.50	0.00	5.00	4.00	165.50	168.00	16.00	184.00	(12.00)	(18.50)
32	JH	143.50	1.50	3.00	35.50	183.50	148.50	35.50	184.00	0.00	(0.50)
33	EM	132.50	11.25	5.75	19.50	169.00	151.00	26.00	177.00	(6.50)	(8.00)
34	MO	103.75	22.25	44.00	14.00	184.00	174.25	10.25	184.50	3.75	(0.50)
35	SA	143.25	6.75	11	23	184.00	169.25	18.75	188.00	4.25	(4.00)
36	LB	134.00	3.25	4.5	12	153.75	176.00	8.00	184.00	4.00	(30.25)
37	TF	146.50	14.5	0	0	161.00	168.00	16.00	184.00	(16.00)	(23.00)
38	KG	137.25	34.75	0	4	176.00	173.50	10.50	184.00	(6.50)	(8.00)
39	RM	108.00	20.25	34.5	20	182.75	160.00	24.50	184.50	(4.50)	(1.75)
40	PM	151.00	3	0	22	176.00	155.00	29.00	184.00	(7.00)	(8.00)
41	MO	130.25	10.75	12	23	176.00	152.00	32.00	184.00	(9.00)	(8.00)
42	BP	109.75	16.5	34.5	18.25	179.00	165.00	19.00	184.00	(0.75)	(5.00)
Total Hours Under											(133.00)

North Bay Regional Center
Family Cost Participation Program - Overstated Share of Cost
Fiscal Years 2012-13 and 2013-14

No.	Unique Client Identification Number	Vendor Number	Vendor Name	Service Code	Authorization	Payment Period	Overpayments
1	7120198	VN1614	Sara Baldwin	420	14189188	Oct 13 - Dec 13	\$136.16
2	7139292	HN0245	Bay Respite Care	862	14178342	April 14	\$73.80
3	7110116	HN0245	Bay Respite Care	862	14183401	July 14 - Dec 14	\$206.64
Total Overstated Share of Cost							\$416.60

**North Bay Regional Center
Policies and Procedures - Annual Family Program Fee
Fiscal Years 2012-13 and 2013-14**

Missing DS 6009	
No.	Unique Client Identification Number
1	7143645
2	7143748
3	7143756
4	7141784
5	7143647
6	7199520
7	7143969
8	7144071

**North Bay Regional Center
Vendors Not Enrolled in Electronic Billing
Fiscal Years 2012-13 and 2013-14**

	Vendor Number	Vendor Name
1	PA1320	Ability Center
2	H16678	Ability First
3	ZG9089	Ablenet Inc.
4	PQ4457	Ace Dictation Llc
5	ZS0691	Adaptivemall.Com Llc
6	PN0765	American Medical Id
7	H83736	Badgercreek Slow Sculptur
8	H07680	Bayberry Incorporated
9	HN0126	Bennett Valley Icf/Dd H
10	PN0867	Bennett Valley Icf/Dd-H
11	PN0814	Best Western Wine Country
12	PB1180	Beyond Play Llc
13	HR0228	California Mentor
14	M22423	California Mentor Network
15	H83738	Calistoga House/
16	HF0180	Camp Lotsafun @ Grizzly
17	H13434	Cornerstone Living Skills
18	M10173	Creekside Conv Hospital
19	P20375	Creekside Managed Care
20	P20375	Creekside Managed Care
21	ZN0053	Creekside Pharmacy Inc
22	ZN0053	Creekside Pharmacy Inc
23	H83768	Crossroads I
24	HN0254	Crossroads Iii
25	M22914	Cypress Ridge Care Center
26	P31481	Declan Medical Equipment
27	PN0992	Dr. Faye Lundergan
28	H13492	Du Molin Dannys Place
29	H07479	Du Molin Home Cooper
30	M10583	Du Molin Home Iii Icf/Ddh
31	H13534	Du Molin Home Redwood Hse
32	H05741	Du Molin Home Roberts Rd
33	H13041	Du Molin Home Sacramento
34	H13533	Du Molin Home Velma House
35	H10368	Du Molin Home-Douglas
36	H13531	Du Molin Mayette
37	H13532	Du Molin Victoria Drive
38	P31249	Economy Medical

**North Bay Regional Center
Vendors Not Enrolled in Electronic Billing
Fiscal Years 2012-13 and 2013-14**

	Vendor Number	Vendor Name
39	PN0754	Empire Optometry
40	H83748	Estes House/Cornerstone
41	M11630	Evergreen Hills Care
42	ZN0034	Family Drug
43	ZN0034	Family Drug
44	H13031	Fifty O One Parkhurst
45	M11205	Fircrest Conv Hospital
46	ZS0209	Freedom Concepts Inc.
47	P60031	Frs Enterprises Inc
48	PN0456	Gaddis Construction
49	HN0127	Genevie's Dream Home Inc
50	M22170	Golden Living Center
51	H13565	Grand Chalet
52	M10452	Greenfield Care Center
53	HN0002	Greenfields Ii Icf-Ddn
54	HN0117	Greenfields Iii Icf-Ddn
55	HN0301	Greenfields Iv Icf/Dd-N
56	PN0084	Hanger Prosthetics &
57	M11202	Heartwood Healthcare Cntr
58	PN0923	Homes West Construction
59	H13586	Hope House
60	HS0709	Hunter Laboratories Inc
61	PN0826	Jackson Medical Supply
62	PN0597	Joel Isquith Construction
63	PG1008	John S Evans Dds
64	P83917	Jonathans Son Inc
65	P83917	Jonathans Son Inc
66	PN0683	Jonathans Son Inc
67	ZN8827	Kaiser North Valley
68	ZN8823	Kaiser Permanente
69	ZN8828	Kaiser Permanente
70	PN0817	Kristina Wiley, Dds
71	PN0985	Larry Finkel
72	PB0959	Lift & Transfer
73	PN0953	Loffler-Barry Md
74	PN0503	Magdalena Casuga
75	PJ3931	Michael McCormick
76	H08305	Milestones Of Dev #1

**North Bay Regional Center
Vendors Not Enrolled in Electronic Billing
Fiscal Years 2012-13 and 2013-14**

	Vendor Number	Vendor Name
77	H07293	Milestones Of Dev #2
78	HN0090	Milestones Of Dev #3
79	HN0092	Milestones Of Dev #5
80	M10163	Milestones Of Development
81	PG0440	Millbrae Medical Supply
82	H13647	Millies Paradise Home
83	PN0287	Mobility Masters Inc
84	H14277	Mobility Systems
85	H14277	Mobility Systems
86	HN0086	Monte Verde
87	HS0453	Monterey Bay Horsemanship
88	H13384	Mustard Seed Ranch
89	H13343	My Home #1 Inc
90	H53263	Myers Medical Pharmacy
91	PN0226	National Seat & Mobility
92	PN0368	National Seat & Mobility
93	P31558	National Seating &
94	HN0055	New Haven Icf/Dd-H
95	PF2536	Nor-Cal Mobility Inc
96	PN0900	North Bay Custom Care
97	PN0525	North Bay Prosthetics &
98	PN0525	North Bay Prosthetics &
99	P82712	Northern Rehab Equipment
100	ZN8706	Office Of Vital Records
101	M22944	Orchard Post Acute Care
102	HN0130	Paradise Valley Icf-Dd/H
103	HN0181	Pathways
104	HN0182	Pathways 2
105	PN0756	Peace Northwest Corp
106	PN0756	Peace Northwest Corp
107	P64650	People First Of Ca
108	P20308	Petaluma Valley Hearing
109	ZN8848	Pro Transport-1
110	PN0376	Queen Of The Valley
111	PN0377	Queen Of The Valley
112	P20377	Queen Of The Valley Hosp
113	ZC9333	Rol's Delhi Drug
114	HA0551	Rosewood Care Center

**North Bay Regional Center
Vendors Not Enrolled in Electronic Billing
Fiscal Years 2012-13 and 2013-14**

	Vendor Number	Vendor Name
115	PN0442	Rp Healthcare Inc
116	PV0519	Rx Express Pharmacy
117	PA0155	Sacramento Van Conversion
118	HN0230	Santa Lucia Icf-Ddh
119	HN0351	Santa Lucia Ii Icf/Dd-H
120	M20487	Santa Rosa Convalescent
121	P20899	Shelley Ocana
122	PN0837	Sister Ann Community
123	ZN8844	Social Security Admins.
124	ZN8770	Solano County Assessor
125	M11030	Sonoma Care And Rehab
126	M10032	Sonoma Healthcare Ctr
127	ZN8847	Sonoma Naturopathic
128	PN0348	Sonoma Surgical Supply
129	M22826	Sonoma Valley Comm
130	M20204	Springs Rd Living Center
131	M12556	Summerfield Convalescent
132	PN0944	Super Reproduction Svc
133	HA0029	Three Pines Adult
134	HN0122	Tlc On Garmont
135	H83762	Tlc On Larch
136	HN0121	Tlc On Lombard
137	PN0922	Tri-County Copy Service
138	Z84031	Tri-County Copy Service
139	P31160	Uc Berkeley School Of Opt
140	PV1057	University Of The Pacific
141	M13066	Windsor Care Center Of
142	M11123	Windsor House Snf

**North Bay Regional Center
Home and Community Based Services Waiver Forms
Fiscal Years 2012-13 and 2013-14**

No.	Vendor Number	Vendor Name	Service Code	Comment
1	PN0275	A Place of Grace	890	Missing Forms
2	PA1407	Impact Center	880	
3	HJ2524	Kaiser Specialized	113	
4	VN2800	Lili Cuevas	420	
5	H10407	Lin Fords	910	
6	PN0893	Redwood Pediatric Therapy	605	
7	P11868	Speech Pathology Services	116	
8	P20184	Swain Center, Inc.	116 / 707	
9	VN1752	Daniel Rodas	405	Form Not Completed Correctly
10	H13587	Edwards Family Home	910	
11	H13499	Exceptional Res Opport	915	
12	VN2876	Liliana Robles	425	
13	H13509	Q&Q Family Care Home	915	
14	H13164	Vincent's Small Fam Home	910	

**North Bay Regional Center
Vendor Application (DS 1890)
Fiscal Years 2012-13 and 2013-14**

No.	Vendor Number	Vendor Name	Service Code
1	PN0275	A Place of Grace	890
2	PA1320	Ability Center	21
3	ZG9089	Ablenet Inc.	660
4	PB0172	Aspira Foster Family Services	48
5	HH0937	College Hospital Inc.	700
6	PA1407	Impact Center	880
7	HJ2524	Kaiser Specialized	113
8	PF3799	Kurt Meskowsky	612
9	H10407	Lin Fords	910
10	PG0453	Marin Ventures	55
11	H19581	Monarch Home	910
12	PN0893	Redwood Pediatric Therapy	605
13	VN2511	Sharon Rivera	415
14	HS0738	Sunny Days Early Childhood of CA	707
15	PA1417	Supported Life Institute	112
16	P20184	Swain Center, Inc.	116 & 707

**North Bay Regional Center
Applicant/Vendor Disclosure Statements (DS 1891)
Fiscal Years 2012-13 and 2013-14**

No.	Vendor Number	Vendor Name	Service Code
1	PN0275	A Place of Grace	890
2	PA1320	Ability Center	21
3	PN0774	Anna Rosa Alonzo	643
4	PB0172	Aspira Foster Family Services	48
5	P83823	Center for Integral Healing, Inc.	116
6	H13357	Childhaven, Inc.	805
7	VN1752	Daniel Rodas	405
8	H13633	Fairway Place	905
9	H07806	Greenacre Homes #4	920
10	H13389	Griffin Family Care Home	915
11	PN0237	Hands Helping Hands	116
12	PA1407	Impact Center	880
13	HJ2524	Kaiser Specialized	113
14	PF3799	Kurt Meskowsky	612
15	VN2800	Lili Cuevas	420
16	H10407	Lin Fords	910
17	PG0453	Marin Ventures	55
18	H13495	McCarver Family Care Home	915
19	H13509	Q&Q Family Care Home	915
20	PN0893	Redwood Pediatric Therapy	605
21	H13432	Scils Transportation Serv	880
22	VN2511	Sharon Rivera	415
23	PN0837	Sister Ann Comm. Dental Clinic	715
24	HN0188	Solano Diversified Services	952
25	HS0738	Sunny Days Early Childhood of CA	707
26	PA1417	Supported Life Institute	112
27	P20184	Swain Center, Inc.	116 & 707
28	PN0922	Tri-County Copy Service	100
29	PR0400	Tsunami Enterprise/RP	34
30	PG0693	Ubaldo Sanchez, PhD.	115
31	H13425	Wheelcare Express Inc.	875
32	PF1711	Willi Homes of Oconomowoc	58

North Bay Regional Center
Missing Vendor Files, Contracts/Rate Letters and Insurance
Fiscal Years 2012-13 and 2013-14

No.	Vendor Number	Vendor Name	Service Code	Comment
1	PN0275	A Place of Grace	890	missing vendor files
2	PA1407	Impact Center	880	
3	HJ2524	Kaiser Specialized	113	
4	H10407	Lin Fords	910	
5	PN0893	Redwood Pediatric Therapy	605	
6	P20184	Swain Center, Inc.	116 & 707	
7	PA1320	Ability Center	21	missing contracts/rate letters
8	ZG9089	Ablenet Inc.	660	
9	VN1752	Daniel Rodas	405	
10	PF3799	Kurt Meskowsky	612	
11	VN2800	Lili Cuevas	420	
12	H04250	UCP Transportation	880	
13	HS0738	Sunny Days Early Childhood of CA	707	
14	HN0064	Crossroads Community Options	880	missing insurance

**North Bay Regional Center
Multiple Dates of Death
Fiscal Years 2012-13 and 2013-14**

No.	Unique Client Identification Number	Uniform Fiscal System Date of Death	Actual Date of Death
1	7145011	5/25/2014	5/24/2014
2	7184088	7/12/2013	2/20/2013

APPENDIX A

North Bay Regional Center

RESPONSE TO AUDIT FINDINGS

(Certain documents provided by the North Bay Regional Center as attachments to its response are not included in this report due to the detailed and sometimes confidential nature of the information)



North Bay Regional Center

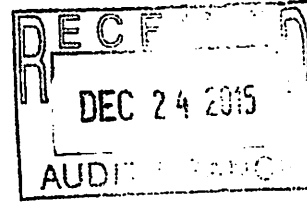
10 Executive Ct., Napa, CA 94558
Phone: (707) 256-1100 • TTY (707) 252-0213

www.nbrc.net

2351 Mendocino Avenue, Santa Rosa, CA 95403
Phone: (707) 569-2000 • TTY (707) 525-1239

December 14, 2015

Edward Yan, Manager Audit Branch
Department of Developmental Services
1600 Ninth Street
Sacramento, CA 95814



Dear Mr. Yan:

This is in response to your letter dated October 29, 2015 regarding North Bay Regional Center's (NBRC) Fiscal Year 2012-2013 and 2013-2014 audit. We want to thank your staff for taking the opportunity on November 19, 2015 to review the audit and findings with our team.

We have reviewed the draft audit report; comments on each finding are as follows:

- **Finding 1: Negotiated Rate Above the Statewide Median Rate**

There were two overpayments identified in the audit. Both overpayments were recovered in full and supporting documentation was forwarded to the State.

In addition, we have established a Resource Development Department, which includes two Vendor Coordinators, to ensure that all vendor rates are compliant with the established Statewide Median Rate.

- **Finding 2: Services Provided to Consumer Not Authorized by NBRC**

Ongoing training has been incorporated with Service Coordinators and Supervisors to ensure that regulations outlined in W&I Code §4646(a) are followed and accurately document and reflect the vendors and services authorized for the individual consumer.

This particular finding occurred over the multiple vendorizations for United Cerebral Palsy. This vendorization has been reviewed and consolidated to two vendorizations from the four that existed at a single site, to more accurately reflect the services provided. Additionally, our Community Services Department met several times with this vendor to correct their practice of moving participants to a different vendorization without the consent of the planning team and then requesting POS revisions to match.

- **Finding 3: Unsupported Credit Card Expenditures**

In response to the finding, a procedure has been implemented to accurately account for all credit card expenditures.

- **Finding 4: Client Trust Balances Over \$2000**

Since the audit, we have successfully transitioned and outsourced our Representative Payee services to New Leaf. They have an internal tracking mechanism that generates correspondence to the Service Coordinator at a \$1500.00 threshold.

- **Finding 5: Targeted Case Management**

- **A. Time Study – Recording of Attendance**

All Time Studies were recalculated and resubmitted to DDS on 10/31/14. Triennial training has been implemented. This training will include a review of expectations and accuracy. Reconciliation will be done between Federal Revenues Department and Payroll Department to ensure accurate reflection of vacation, sick leave, etc. prior to submitting to DDS for review. Internal procedure for completing and reviewing Time Study to be developed by the Federal Revenue Department.

- **B. Rate Study – Expenses Did Not Match to Year End General Ledger**

We acknowledge and accept finding.

- **Finding 6: Family Cost Participation Program – Overstated Share of Cost**

We acknowledge and accept finding.

- **Finding 7: Annual Family Program Fee Registration Forms**

This program is now under the oversight of our internal accountant. Procedures have been implemented to align with the requirements established by DDS.

- **Finding 8: Service Coordinator Caseload Ratios**

- **A. Vacant Positions Included in the Service Coordinator Caseload Ratios**

We acknowledge and accept finding.

- **B. Service Coordinator Caseload Ratio Documentation Not Retained**

We acknowledge and accept finding.

- **Finding 9: Board Approved Policies and Procedures**

- **A. Policies and Procedures for Procurement**

We acknowledge and accept finding. Procedure is now posted to the website.

- **B. Transparency and Access to Public Information Policy**

We acknowledge and accept finding. Procedure is now posted to the website.

- **Finding 10: Lack of Minutes for Closed Board Meetings**

We acknowledge and accept finding.

- **Finding 11: Lack of Medi-Cal Reimbursement Procedures**

We acknowledge and accept finding. Procedure is being developed to monitor services, such as College Hospital, to ensure that generic resources are being utilized and NBRC is the payor of last resort.

- **Finding 12: Vendors Not Enrolled in Electronic Billing**

We now have a Resource Development Department, which includes two Vendor Coordinators, to ensure that all vendorizations are complete. This includes, but is not limited to, the review for eBilling, HCBS, DS1890 and DS1891 documents.

- **Finding 13: Equipment Capitalization**

We have redesigned the inventory and fixed asset system to track assets over \$5,000 threshold and ties to the General Ledger.

- **Finding 14: Home and Community Based Services Provider Agreement**

We now have a Resource Development Department, which includes two Vendor Coordinators, to ensure that all vendorizations are complete. This includes, but is not limited to, the review for eBilling, HCBS, Rate Letters, Insurance, DS1890 and DS1891 documents.

- **Finding 15: Vendor Applications and Applicant/Vendor Disclosure Statements**

We now have a Resource Development Department, which includes two Vendor Coordinators, to ensure that all vendorizations are complete. This includes, but is not limited to, the review for eBilling, HCBS, Rate Letters, Insurance, DS1890 and DS1891 documents.

- **Finding 16: Vendor Files, Contracts/Rate Letters and Proof of Insurance**

We now have a Resource Development Department, which includes two Vendor Coordinators, to ensure that all vendorizations are complete. This includes, but is not limited to, the review for eBilling, HCBS, Rate Letters, Insurance, DS1890 and DS1891 documents.

- **Finding 17: Multiple Dates of Death**

A process has been implemented to monitor dates of death. A checklist has been developed to ensure accurate documentation of dates entered into the system.

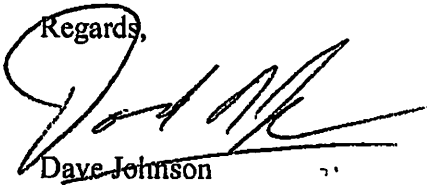
- **Finding 18: Lack of Written Policies and Procedures**

We have eliminated Petty Cash.

As a result from this audit, NBRC established processes and procedures that will prepare us for future audit and allow us to once again be compliant with regulations. Although, we have room for improvement, we have made great strides in becoming compliant.

Please accept this response to the audit findings and feel free to contact our office if you have any questions.

Regards,



Dave Johnson
Chief Financial Officer, NBRC

Cc: Executive Team

DEPARTMENT OF DEVELOPMENTAL SERVICES

1600 NINTH STREET, Room 320, MS 3-9
SACRAMENTO, CA 95814
TTY 654-2054 (For the Hearing Impaired)
(916) 654-1958



September 26, 2016

Harry Matthews, Board President
North Bay Developmental Disabilities Services, Inc.
10 Executive Court
Napa, CA 94558

Dear Mr. Matthews:

The Department of Developmental Services' (DDS) Audit Branch has completed the Audit of the North Bay Regional Center (NBRC). The period of review was from July 1, 2012, through June 30, 2014. The enclosed report discusses the areas reviewed along with the findings and recommendations. The report includes the response submitted by NBRC, which is included as Appendix A, and DDS' reply, which begins on page 34 of the report.

If there is a disagreement with the audit findings, a written "Statement of Disputed Issues" may be filed with DDS pursuant to California Code of Regulations (CCR), Title 17, Section 50730, Request for Administrative Review (excerpt enclosed). The "Statement of Disputed Issues" must be filed within 30 days of receipt of this report to:

Department of Developmental Services
Attn: John Doyle, Chief Deputy Director
1600 Ninth Street, Room 240, MS 2-13
Sacramento, CA 95814

The cooperation of NBRC's staff in completing the audit is appreciated.


Also enclosed is your invoice for the total amount of \$13,803.66 from the current audit findings. When you make the payments to DDS, please refer to the invoice number, so proper credit can be given. If you have any questions regarding the payment process, please contact Tim Gonsalves, Chief, Accounting Section, at (916) 654-2987.

"Building Partnerships, Supporting Choices"

Harry Matthews, Board President
September 26, 2016
Page two

If you have any questions regarding the report, please contact Edward Yan, Manager, Audit Branch, at (916) 654-3695.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Winfield". The signature is fluid and cursive, with the first name "Brian" being more legible than the last name "Winfield".

BRIAN WINFIELD
Acting Deputy Director
Community Services Division

Enclosures

cc: Bob Hamilton, NBRC
Dave Johnson, NBRC
Evie Correa, DHCS
Jean Johnson, DDS
Rapone Anderson, DDS
Tim Gonsalves, DDS
Dean Shellenberger, DDS
Carie Powell, DDS
Edward Yan, DDS
Luciah Ellen Nzima, DDS
Soi Ly, DDS

State of California
DEPARTMENT OF DEVELOPMENTAL SERVICES
1600 9th Street
Sacramento, CA 95814

Harry Matthews, Board President
North Bay Developmental Disabilities Services, Inc.
610 Airport Road
Napa, CA 94558

INVOICE No. **12322**

Date **September 26, 2016**

Headquarters

Please return copy of Invoice with your
remittance and make payable to:

DEPARTMENT OF DEVELOPMENTAL SERVICES
1600 9th Street, Room 310, MS 3-7
Sacramento, CA 95814
Attn: Tim Gonsalves, Chief, Accounting Section



For: Per final audit report dated September 26, 2016 please reimburse the
Department of Developmental Services for the unresolved overpayment of
\$13,803.66 for the period July 1, 2012 through June 30, 2014.

Amount Due

\$ 13,803.66

DDS ACCOUNTING OFFICE ONLY:

TC	FY	Vendor	Curr Doc	Index	Obj/Pca	Amount	Source	Subsidiary
468	2012-13	00	INV12322	9998	960000	\$ 13,803.66	570000	

**California Code of Regulations
Title 17, Division 2
Chapter 1 – General provisions
SubChapter 7 – Fiscal Audit Appeals
Article 2 – Administrative Review**

§50730. Request for Administrative Review

(a) An individual, entity, or organization which disagrees with any portion or aspect of an audit report issued by the Department or regional center may request an administrative review. The appellant's written request shall be submitted to the Department within 30 days after the receipt of the audit report. The request may be amended at any time during the 30-day period.

(b) If the appellant does not submit the written request within the 30-day period, the appeals review officer shall deny such request, and all audit exceptions or findings in the report shall be deemed final unless the appellant establishes good cause for late filing.

(c) The request shall be known as a "Statement of Disputed Issues." It shall be in writing, signed by the appellant or his/her authorized agent, and shall state the address of the appellant and of the agent, if any agent has been designated. An appellant shall specify the name and address of the individual authorized on behalf of the appellant to receive any and all documents, including the final decision of the Director, relating to proceedings conducted pursuant to this subchapter. The Statement of Disputed Issues need not be formal, but it shall be both complete and specific as to each audit exception or finding being protested. In addition, it shall set forth all of the appellant's contentions as to those exceptions or findings, and the estimated dollar amount of each exception or finding being appealed.

(d) If the appeals review officer determines that a Statement of Disputed Issues fails to state the grounds upon which objections to the audit report are based, with sufficient completeness and specificity for full resolution of the issues presented, he/she shall notify the appellant, in writing, that it does not comply with the requirements of this subchapter.

(e) The appellant has 15 days after the date of mailing of such notice within which to file an amended Statement of Disputed Issues. If the appellant does not amend his/her appeal to correct the stated deficiencies within the time permitted, all audit exceptions or findings affected shall be dismissed from the appeal, unless good cause is shown for the noncompliance.

(f) The appellant shall attach to the Statement of Disputed Issues all documents which he/she intends to introduce into evidence in support of stated contentions. An appellant that is unable to locate, prepare, or compile such documents within the appeal period specified in Subsection (a) above, shall include a statement to this effect in the Statement of Disputed Issues. The appellant shall have an additional 30 days after the expiration of the initial 30-day period in which to submit the documents. Documents that are not submitted within this period shall not be accepted into evidence at any stage of the appeal process unless good cause is shown for the failure to present the documents within the prescribed period.