PERFORMANCE AUDIT

MEDICAID PERSONAL CARE SERVICES PROGRAM

From The Office Of State Auditor
Claire McCaskill

Report No. 2004-02
January 13, 2004
www.auditor.mo.gov

Office of
Missouri State Auditor
Claire McCaskill

January 2004

YELLOW SHEET

Systematic procedures and controls needed to help ensure consistent authorization of personal care hours and to ensure client safety

The Medicaid personal care program was established to enable qualified Medicaid recipients to remain in their own homes rather than being placed in nursing homes; provided the monthly costs for personal care services did not exceed monthly nursing home costs. The Department of Health and Senior Services, Division of Senior Services and Regulation oversees the personal care program. During fiscal year 2003, the program enabled 37,000 Medicaid clients to remain in their residences. This audit focused on the division's oversight of the program to determine consistency of authorization of personal care hours and if personal care providers are operating in compliance with state laws and regulations, and contractual requirements as they relate to the safety and quality of care of the clients. The following highlights the findings:

Substantial variances existed in personal care hours authorized by some regions

The division has not established criteria to determine and control the number of personal care service hours Medicaid recipients can be authorized on a statewide basis. Auditors discovered substantial differences in hours authorized with no identified or documented factors justifying the variances. The division director and the manager of the two St. Louis regions stated they have not identified any factors to justify why the number of hours authorized by the St. Louis regions was more than twice the amounts authorized by the St. Joseph and Columbia regions for the same level of care. (See page 5)

Inconsistent authorization of personal care hours resulted in higher program costs

Auditors found the average monthly cost for St. Louis City was about twice the average monthly cost for St. Joseph and Columbia during fiscal year 2002, and about 57 percent higher than Kansas City during the first nine months of fiscal year 2003. If the two St. Louis regions' monthly average hours per client were the same as the Kansas City metro regions' average, the cost of the program would have been reduced by about $24.7 million in fiscal year 2002 and about $15.5 million through the first nine months of fiscal year 2003. (See page 8)

Timely notification of provider compliance violations needed to ensure client safety

Upon completing quality assurance reviews the division has taken up to 4 months to notify providers their names would be removed from the contracted providers list. This removal is necessary when providers are in noncompliance with state regulations, creating a potential risk of injury or harm to the personal care clients. When this situation was brought to the attention of division officials, guidelines were implemented requiring notification within 30 days of the conclusion of the quality assurance review. (See page 10)

All audit reports are available on our website: www.auditor.mo.gov

TABLE OF CONTENTS

ABBREVIATIONS

DHSS	Department of Health and Senior Services
SAO	State Auditor's Office

CLAIRE C. McCASKILL
Missouri State Auditor

Honorable Bob Holden, Governor
and
Richard C. Dunn, Director
Department of Health and Senior Services
Jefferson City, MO 65102

The cost of the Medicaid personal care services program was $133.7 million and $139.2 million (state and federal funds) in fiscal years 2001 and 2002, respectively. This program provides in-home services, such as food preparation, to more than 37,000 Missouri residents which has enabled them to remain in their homes instead of nursing homes. This report focuses on the extent the Department of Health and Senior Services, Division of Senior Services and Regulation (the division) has effectively overseen this program to ensure (1) the program is being operated in a cost-effective manner and (2) personal care service providers are operating in accordance with state laws and regulations.

We found substantial differences in the amount of personal care services authorized by the division's 10 regions. For example, in fiscal year 2002, two St. Louis area regions authorized monthly personal care service averaging 63 and 68 hours while St. Joseph, Columbia, and Kansas City regions authorized hours averaging 24, 29, and 59, respectively. This situation has occurred because of the lack of statewide uniform guidance on how to establish personal care hours for clients. Division officials plan to establish statewide guidelines for a consistent assessment of clients' needs could potentially save millions in state and federal Medicaid funds.

We also found the division has taken up to 4 months to notify providers of noncompliance with state regulations, which can create a risk of injury or harm to personal care clients.

We have included recommendations to improve the management and oversight of the program.

224 State Capitol • Jefferson City, MO 65101

Truman State Office Building, Room 880 • Jefferson City, MO 65101 • (573) 751-4213 • FAX (573) 751-7984

We conducted our work in accordance with applicable standards contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, and included such tests of the procedures and records as were considered appropriate under the circumstances.

Claire McCaskill
State Auditor

The following staff contributed to this report:

Director of Audits:	Kirk R. Boyer
Audit Manager:	John B. Mollet, CISA
Auditor-In-Charge:	Deborah J. Yost
Audit Staff:	Danielle E. Parker
	Nicki E. Russell, CPA

INTRODUCTION

The Medicaid personal care program was established to enable qualified Medicaid recipients to remain in their own homes rather than being placed in nursing homes; provided the monthly costs for personal care services did not exceed monthly nursing home costs. Personal care services include (1) household chores, such as house cleaning and laundry; (2) basic personal care, such as bathing and hair care; and (3) advanced personal care, such as application of aseptic dressings and non-injectible medicines. The Department of Health and Senior Services (DHSS), Division of Senior Services and Regulation (the division), has primary responsibility for overseeing the Medicaid personal care program.

DHSS' Medicaid personal care program expenditures were $133.7 million and $139.2 million in fiscal years 2001 and 2002, respectively.[1] The division authorizes services to clients in Missouri's 114 counties and St. Louis City through its 10 region's local offices.[2] During fiscal year 2003, the Medicaid personal care services program enabled over 37,000 Medicaid clients 60 years of age or older and those disabled persons between 18 to 59 years to remain in their residences versus being placed in nursing homes.[3]

Contractors provide in-home personal care services and in fiscal year 2003 were paid (1) $13.71 an hour for homemaker and personal care services, (2) $17.75 an hour for advanced personal care services, and $37.85 per visit by a Registered Nurse. During fiscal year 2003, a client's total monthly cost for all services could not exceed $2,430, which is the average amount Medicaid paid for nursing home care.

The division's quality assurance unit conducts reviews of the more than 300 providers of the program to determine if the providers are operating in compliance with state laws and regulations, and contractual requirements as they relate to the safety and quality of care of the client. The unit conducts announced and unannounced on-site reviews of the providers looking for compliance in 38 areas of state and federal regulations. Areas of compliance include: conducting proper highway patrol background checks; properly reviewing Employee Disqualification List; verifying that providers are not servicing family members; and timesheets completed and submitted within proper guidelines. Reviews take 3 to 5 days to conduct and preliminary violations are discussed at the end of the review. The quality assurance specialist has 10 days after the review to send a report to the division central office. Central office sends a letter and report to the provider describing all violations. The provider then has 30 days to send a plan of correction to the unit. If the violations are minor such as a review of policy (i.e., the client is not at risk of injury or harm), the review can be closed without a revisit. However, if the violations are in areas such as highway patrol background checks or the employee disqualification list, a revisit will be necessary. The unit has no guidelines for when revisits should be made or reviews should be closed.

[1] Federal government matches state funds to varying degrees.
[2] See Appendix I for regional map.
[3] For the first 9 months of the fiscal year—July 2002 through March 2003.

Methodology

To determine the extent the department conducted oversight of the program, we reviewed state laws and regulations governing Missouri's Home and Community Based Services programs. In addition, we reviewed policies and procedure manuals for the department to determine its standard operating procedures. To determine how program costs increased, we reviewed the Federal Medicaid Management System reports for 2000, 2001 and 2002.[4]

To determine whether regions were effectively managing costs, we analyzed Department of Social Services, Division of Medical Services program data for fiscal years 2001, 2002 and 2003 through March 2003. In addition, we randomly selected 438 clients out of 19,480 from five of the department's 10 regions—St. Joseph, Kansas City, Columbia, Outer St. Louis[5] and St. Louis City. We reviewed three assessment forms from the last two annual evaluations performed by department staff (1) the intake screening form, (2) client assessment form, and (3) service plan supplement form. Division staff use the intake screening form to make a preliminary assessment on whether the client may be eligible for personal care program, which is typically done over the telephone. Division staff use the client assessment form when visiting clients to determine if the clients are in fact eligible for the program, and the service plan supplement form is used to determine what type, including frequency, services clients need. We also interviewed department officials and staff responsible for this program.

We reviewed the division's Quality Assurance Unit (the unit) to determine the division's procedures for assessing if personal care contractors (providers) were providing clients quality services as specified in the clients' service plan. We reviewed the unit's protocol manual and we observed two quality assurance reviews. We interviewed officials and staff within the unit. In addition, we randomly selected a sample of 60 provider files and reviewed the most current and second most current reviews conducted by the unit for a total of 90 reviews. We determined when personnel had the exit conference meeting to discuss potential violations; when the unit mailed the provider a notice letter; the number and type of law violations; and when the unit resolved the review and mailed a resolution letter to the provider.

We obtained comments on a draft of this report during a meeting with department officials on November 3, 2003 and in a letter dated November 25, 2003. We incorporated their comments where appropriate. We conducted our fieldwork between February and July 2003.

[4] Federal Medicaid information for federal fiscal year 2003 was not available at the time of our audit.
[5] This includes St. Charles, Franklin, Jefferson and St. Louis counties.

RESULTS AND RECOMMENDATIONS

1. The Division Lacks Systematic Procedures and Controls to Help Ensure Consistent Authorization of Personal Care Hours

Improvements are needed in the management and oversight of the Medicaid personal care services program because substantial differences existed in personal care hours authorized by some regions, which has resulted in increased program costs at those locations. This situation has occurred because the division has not established criteria to determine and control the number of personal care service hours Medicaid recipients can be authorized on a statewide basis. Implementing effective statewide guidance and oversight could result in potential savings to the Medicaid program up to $20 million or more annually.

Substantial variances existed in personal care hours authorized by some regions

Our analysis of 438 randomly selected recipient case files obtained from five regions[6] disclosed substantial differences in hours authorized by five regions analyzed and regional personnel had not identified or documented any factors justifying the variances. Table 1.1 compares the level of care scores, hours of care, and average age of the client.

Table 1.1: Comparison of Average Care Scores to Hours and Age by Region

Location	Level of care score	Hours	Average age
St. Joseph	23	24	65
Columbia	25	29	63
Kansas City Metro	26	59	64
Outer St. Louis	24	68	63
St. Louis City	23	63	66

Source: SAO analysis

Table 1.1 shows the average level of care scores and average age were about the same for the five regions, but the number of hours authorized by the St. Louis regions were more than twice the amounts authorized by the St. Joseph and Columbia regions. Because recipients' level of care scores could indicate the amount of care a client needed, we expected to find a correlation between the score and the average hours authorized by the five regions. However, we found significant differences in the hours authorized by the five regions. We also calculated the average ages of clients in each of the regions to determine if there were significant differences in the ages of the recipients, and found the averages were about the same.

To determine if recipients qualify for Medicaid personal care services, regional staff are required to complete a 6-page form, which rates recipients' abilities in nine major areas including: monitoring, medication, treatments, restorative, rehabilitative, personal care, dietary, mobility and behavioral condition. The form includes guidelines staff use to assign each area a score of zero, three, six, or nine—with nine indicating the recipient needs maximum level of care in an area.

[6] We reviewed the level of care scores and monthly personal service hours awarded for clients in the division's two highest and two lowest regions regarding the number of hours authorized and Kansas City.

Individuals are eligible for in-home services if their level of care score equals 18 or higher. The form also includes a page for regional staff to document the number of authorized monthly personal care hours. However, the form does not include any guidelines or criteria staff are required to follow when determining the number of authorized hours. Rather, staff at each of the division's 10 regions subjectively determine, and authorize without supervisory review, the monthly number of personal care hours (and associated costs) they believe clients need.

The following examples illustrate the inconsistency between hours, age and care scores. A review of six women out of 3 of the 10 regions with a level of care score of 21 showed all the women lived alone and their service priority ratings were about the same. All of these women needed 50 percent or more of their meals prepared by others and needed someone to accompany them when shopping. Three of these women were about the same age (ages 65 to 70) and could not do any housework. However, two of these women received between 70 hours and 90 hours of care for basic personal care and housekeeping assistance while the other woman only received 2 hours of housekeeping assistance. The other 3 women, whose ages varied between 56 years and 91 years, could only do light housework and needed considerable help with all other housework. Two women, ages 56 and 91, only received 15 hours of basic personal care and housekeeping assistance. However, a 68-year-old woman received 145 hours of basic personal care and housekeeping assistance. The 91-year-old woman had indicated on her assessment that her support system was insufficient while the other women's assessments did not indicate an insufficient support system.

The division director and the manager of the two St. Louis regions stated they have not identified any factors (such as differences in client's personal care needs among the regions) to justify why the two St. Louis regions have authorized substantially more personal care hours than other regions. Central office officials opined St. Louis personal care providers may have counseled clients to request more hours, however, they had not conducted any studies or analysis to support their conclusion. When we spoke with St. Louis region staff, they stated the variance was more likely due to a difference in philosophy between different regions throughout the state. For example, St. Louis staff told us, in the past, their philosophy has been to ensure customer (client) satisfaction and, therefore, they did not emphasize cost control. In contrast, Springfield regional staff stated their philosophy was to meet the needs of the clients, but also protect taxpayer dollars.

Our interviews with staff in Kansas City, Springfield and St. Louis disclosed the subjectiveness of these independent assessments. Two regional staff told us they inherited files from other staff with large amounts of hours authorized. As a result, the current staff had to reduce hours for current clients and have been more conservative with the hours they give to new clients. In addition, a third regional staff stated the personality of the staff can affect the number of hours staff assign and stated she has authorized more hours than necessary if a client complains.

Higher hours resulted in higher program costs

Increasing the personal care hours has increased the cost of the program. For example, we found the average monthly cost for St. Louis City was about twice the average monthly cost for St. Joseph and Columbia during fiscal year 2002, and about 57 percent higher than Kansas City during fiscal year 2003. Table 1.2 depicts substantial differences in costs

authorized by the division's 10 regions due to number of personal care hours assigned at locations shown.

Table 1.2: Differences in Monthly Averages by Region for Fiscal Years 2002 and 2003

Region	Fiscal year 2002		Fiscal year 2003[4]	
	No. of clients	Monthly average[1]	No. of clients	Monthly average
St. Louis City	4,554	$537	4,308	$529
Outer St. Louis[2]	4,971	$525	4,720	$527
Cape Girardeau	9,650	$367	9,448	$395
Joplin	1,515	$360	1,421	$380
Kansas City metro	3,500	$314	3,349	$337
Outer Kansas City[3]	2,137	$297	2,071	$312
Columbia (Northern counties)	2,265	$278	2,082	$292
Springfield	4,929	$276	4,633	$287
Columbia	3,705	$266	3,518	$289
St. Joseph	1,987	$253	1,891	$265
Statewide average	39,213	$366	37,441	$381
Average without St. Louis regions	29,688	$313	28,413	$334

[1]Medicaid paid claims data only shows total monthly costs and not hours authorized. Monthly costs are based on monthly hours authorized and billed Medicaid. Accordingly, the more hours authorized, the higher the monthly cost. For fiscal year 2003, personal care service hours were billed at $13.71 an hour, which is the same for all regions.
[2]The Outer St. Louis Area includes St. Charles, Franklin, Jefferson and St. Louis counties
[3]The Outer Kansas City Area includes Carroll, Chariton, Lafayette, Saline, Johnson, Pettis, Henry, Bates, Benton, Vernon, St. Clair, Hickory and Cedar counties
[4]Data are for the first 9 months of the fiscal year.

Source: SAO analysis of Medicaid personal care paid claims data.

Division's attempt to reduce personal care costs for St. Louis was not effective

The division recognized the two St. Louis regions were authorizing substantially more hours than the other eight regions through an analysis performed in 2002. As a result, the division issued guidelines and an assessment worksheet in March 2002 to aid St. Louis staff in determining the appropriate number of hours to authorize for personal care services. However, St. Louis staff were required to use the guidelines and worksheet only for client cases in which they planned to authorize 60 personal care hours or more per month. Division officials said the 60-hour threshold was based on an analysis showing the average monthly hours awarded statewide was 56. As shown on Table 1.1, 60 hours a month was twice as many hours authorized by St. Joseph and Columbia staff. Moreover, the 2003 hourly rate for personal care and homemaker chores is $13.71, and, therefore, staff were not required to use the guidelines until they authorized about $823 per month in personal care services. This is more than $290 over the two St. Louis regions monthly averages and $485 more than the Kansas City region.

The division initially required St. Louis staff supervisors to review all completed worksheets. However, the division director revised this requirement authorizing staff supervisors to only review worksheets prepared by two of their six to ten staff each month and conduct periodic spot checks after staff supervisors indicated they could not handle the review workload.

Division personnel recognized the guidance for St. Louis had not been effective and revised the guidelines in August 2003. According to division personnel, the 60-hour threshold has been dropped and the guidance will apply to all regions when the division implements the guidelines statewide in late 2003. The official also stated, after the guidelines are implemented statewide, all staff will be required to use the guidelines, which includes criteria for determining the number of hours clients should need for every client regardless of the number of hours authorized. Division personnel believe the guidance will result in a more consistent application of personal care hours on a statewide basis. The division issued revised statewide guidelines effective October 2, 2003.

In responding to a draft of this report, division officials stated their initiative reduced authorized hours by 17 percent and 18 percent in the St. Louis regions. However, the division did not consider comparable reductions statewide. As Table 1.2 shows, St. Louis average monthly payments remained substantially higher than other regions in the state. Further, the division could not provide any documentation to support the differences in hours authorized by the St. Louis regions as compared to the other regions. Nonetheless, division officials concurred that the hours authorized, and corresponding costs, by the St. Louis regions remain substantially higher than the statewide average.

Consistent assessment of clients' needs could reduce program costs

Medicaid program costs could possibly be reduced with a more consistent assessment of client's needs. For example, program costs could have potentially been reduced if the two St. Louis regions' monthly average hours per client were the same as the Kansas City metro monthly average per client. Using this example, the cost of the Medicaid personal care program would have been reduced by about $24.7 million in fiscal year 2002 and about $15.5 million through the first nine months of fiscal year 2003.[7]

Conclusions

The division has developed detailed criteria to determine if individuals are eligible for the Medicaid personal care program. However, it has not implemented statewide guidelines to determine or adequately document the number of monthly personal care hours individuals need. As such, each of the division's 10 regions have independently developed informal criteria and philosophies on the number of hours clients should be authorized. Consequently, potentially unnecessary high program costs have resulted from substantial and unsupported variances in the number of authorized Medicaid personal care hours among the 10 regions. Although the division's initial steps to control costs at one location were not effective, the division's recent efforts to revise its guidance and apply it on a statewide basis should be effective if the division takes steps to provide the appropriate oversight over personnel actions to establish personal care hours. We believe significant savings may be possible if the 10 regions used consistent standards in authorizing clients' personal care hours.

[7] We compared St. Louis' average costs to Kansas City's average costs rather than to St. Joseph's average costs, because both St. Louis and Kansas City are large metropolitan cities. Also, Kansas City's average is about the same as the statewide average excluding the St. Louis regions.

Recommendations

We recommend the Director, DHSS:

1.1 Require supervisors to review and approve all assessments authorizing monthly hours, which exceed statewide average.

1.2 Perform periodic analyses to determine the average monthly hours authorized by each regional office to ensure consistent application of division guidelines.

Agency Comments

The Director, DHSS, provide the following comments in a letter dated November 25, 2003:

[W]e recognize the value in extending the review process across the state as well as in the St. Louis area. In your report, you state the "Division's attempt to reduce personal care costs for St. Louis was not effective." Yet, you recommend that the department "implement statewide complementary guidelines." Perhaps these statements are harmonized by the report's concern about the department having used a 60 hour threshold rather than using the statewide average as the basis for which authorizations would be reviewed by supervisors. The department believes that the initiatives in St. Louis, as early as the spring of 2002, did result in savings in the St. Louis City, total hours of authorized personal care were reduced by 18% between February 2002 and September 2003 during which time the client load remained within a 3% variation between approximately 3,296 and 4,035 clients. (In other words, the reduction in the units of authorized service was not attributable to a reduction in the number of clients.) In the St. Louis "outer area," total hours of authorized personal care were reduced by 17% between February 2002 and September 2003 during which time the client load remained within a 3% variation between approximately 4,252 and 4,382 clients. (Again, the reduction in the units of authorized service was not attributable to a reduction in the number of clients.)

We respectfully, disagree with your recommendations to "require supervisors to review and approve all assessments authorizing monthly hours which exceed the statewide average." There are three reasons for our disagreement. First of all, the new processes implemented St. Louis and the "outer area" achieved a reduction in authorized hours by 17%-18%. This is a significant reduction. We believe that the extension of this program statewide will achieve a similar reduction—and uniformity. Secondly, using the "statewide average" as a benchmark would mean that we would be pursuing a constantly changing target. Finally, supervisors already review significant numbers of front line social worker case files—including authorizations. The supervisors review all of the files of workers during their first months on the job. Further, supervisors conduct periodic case file reviews (including authorizations) with all of the workers they supervise. This is in addition to the other responsibilities of the supervisors—including adult protective services. To require supervisors, in addition, to review half of all service authorizations (i.e., half of some 38,000 client authorizations or 19,000 authorizations annually) would constitute an unreasonable increase in their workload—causing other, significant tasks to be left undone. In conclusion, on this score, we believe that deploying the department's new processes statewide will result in greater uniformity of authorizations for service—and lead to savings—without overwhelming supervisors with additional tasks.

2. Timely Notification of Compliance Violations are Needed to Ensure Client Safety

The division has taken up to 4 months after completing quality assurance reviews to notify personal care service providers they were in noncompliance with state regulations, even though the division determined the noncompliance created a risk of injury or harm to the providers' clients. Accordingly, the division has allowed clients to select providers with known noncompliance violations, such as failure to ensure staff have received required training, for excessive periods of time after the division became aware of the violations. Division officials stated although they had not established timelines to send notice letters to providers, they are now planning to implement such timelines.

Lack of guidelines allows providers to continue to operate in violation of state regulations

Our review of 60 randomly selected providers from a universe of 322[8] showed 21 providers had violations during 2001 and 2002 meeting the division's criteria for removing their names from the contracted providers list. Table 2.1 shows, however, the division took from 28 to 134 days (1 to 4 months) after quality assurance reviews were completed to notify the providers their names would be removed from the contracted providers list.

Table 2.1: Reviews with Sanctionable Violations

Date review completed	Date of letter	Days to notify	Sanctionable violations[1]
4/11/2001	8/23/2001	134	9
10/11/2001	2/22/2002	134	7
10/10/2001	2/20/2002	133	2
10/12/2001	2/22/2002	133	2
5/24/2001	9/19/2001	118	1
10/25/2001	2/20/2002	118	3
11/8/2001	2/22/2002	106	10
3/29/2001	7/11/2001	104	3
3/28/2001	7/2/2001	96	1
1/25/2002	4/17/2002	82	6
6/14/2001	8/21/2001	68	1
5/18/2001	7/23/2001	66	1
4/17/2001	6/12/2001	56	15
2/28/2002	4/22/2002	53	6
3/1/2002	4/22/2002	52	6
4/19/2001	6/8/2001	50	2
8/1/2001	9/12/2001	42	2
3/14/2002	4/23/2002	40	2
6/19/2001	7/23/2001	34	2
6/21/2001	7/23/2001	32	7
8/16/2001	9/13/2001	28	1

[1]Sanctionable violations are violations that create a risk of injury or harm.

Source: SAO analysis of DHSS data.

[8] As of February 10, 2003.

As shown on Table 2.1, the division's procedures for removing providers from its list of contracted providers did not result in providers immediate removal from its list of available providers, once the division has determined they were in noncompliance. Although the division eventually removed providers if they did not perform highway patrol background checks for all employees and conduct or document advanced training for aides who perform advanced personal care tasks, these providers were not removed immediately.

The division's quality assurance specialists are required to submit their reports to supervisors within 10 days following the completion of quality assurance inspections. The division's procedures require sending providers a letter notifying that they were in noncompliance and they would be removed from the list of available providers until such time as they took corrective actions. The division, however, has not established any timeframes to notify providers they did not comply with any of the above violations after the quality assurance specialists submitted their reports.

State regulations[9] allow the division to immediately remove providers from the list of available contracted personal care providers when the providers noncompliance with the regulations is determined to create a risk of injury or harm to clients.[10] Noncompliance with the regulations and evidence of such risk may include:

- unreliable, inadequate, falsified, or fraudulent documentation of service delivery or training;
- use of in-home service workers who do not meet the minimum employment requirements or training standards of this regulation; and
- failure to comply with the requirement for background screening of employees.

Department officials acknowledged the problem and stated a new policy will be put in effect where the quality assurance unit's bureau chief will sign notification letters. In addition, officials in the quality assurance unit stated they are in the process of setting guidelines for when to send out the notification letter and length of time to resolve all violations and close a review. Officials told us they believe a new database system will help them track these items once it is implemented, however, officials stated the database is still in the beginning phases of being created and they do not have an implementation date. As of September 30, 2003, the division had not implemented the guidelines.

Conclusions

Providers who create a risk of injury or harm to clients may be removed from the state's list of available providers, under state regulations. Division officials, however, have not established timeframes to ensure providers were notified timely of law violations. This weakness allows providers to continue to operate at substandard levels placing clients of the Medicaid personal

[9] 19 CSR 15-7.021

[10] The division maintains a list of authorized providers clients can choose from to provide their personal care services. The division will remove providers' names from the list if they are not in compliance with selected provisions of state regulations.

care services program at possible risk. The division's planned guidelines establishing timeframes for sending these letters on a statewide basis should be effective once implemented.

Recommendation

We recommend the Director, DHSS:

2.1 Establish written guidelines to ensure providers of Medicaid personal care services receive official notification of law violations within a specified number of days after quality assurance reviews are completed.

Agency Comments

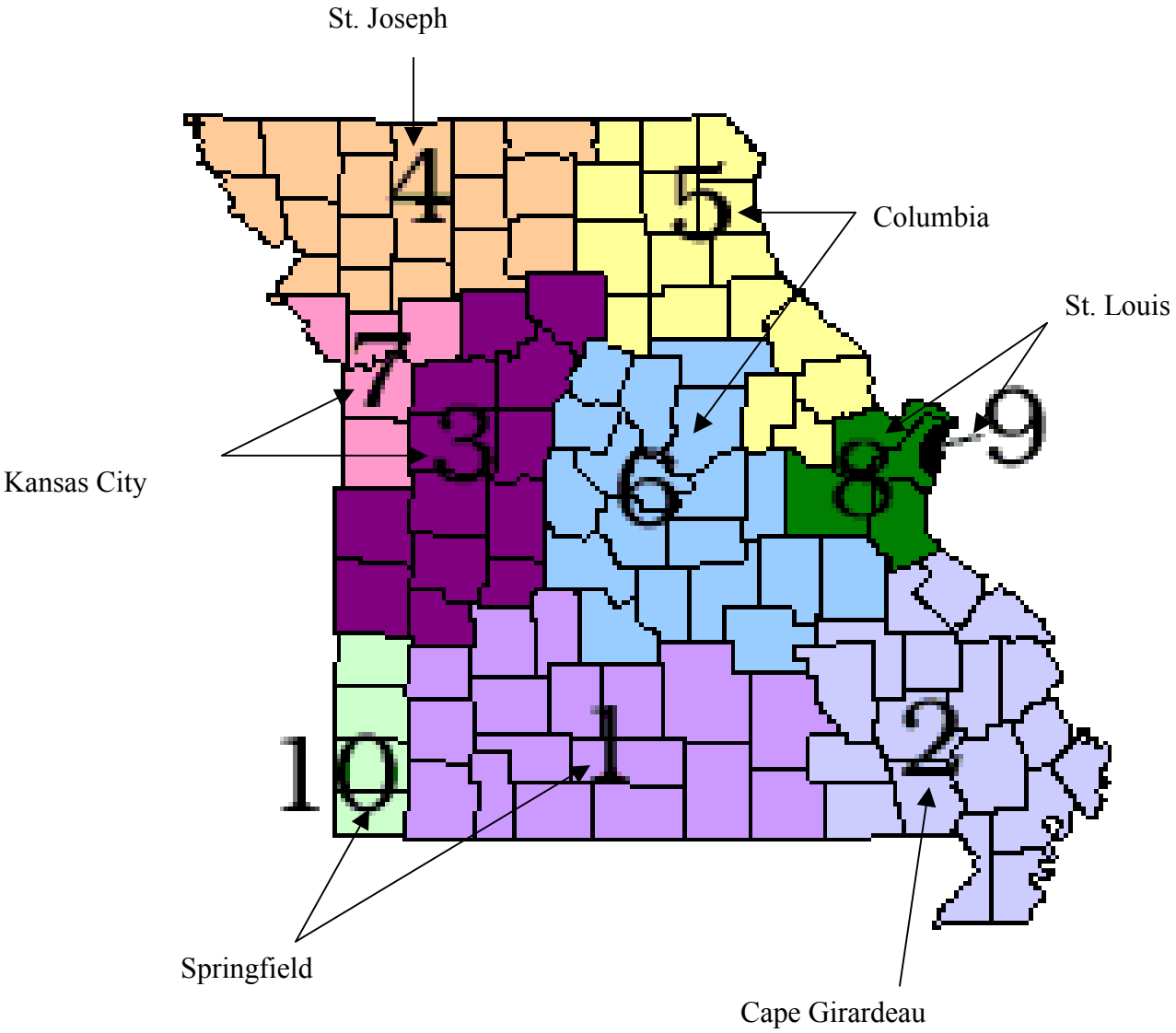
The Director, DHSS, provide the following comments in a letter dated November 25, 2003:

We agree with this recommendation. The department has revised the guidelines requiring, when the department proposes sanctions (e.g., reducing the area of authorized service, not making new referrals for a specified time, contract termination, etc.) against an in home service provider, that the provider be notified within 30 days of the exit interview held at the conclusion of the quality assurance review.

APPENDIX I

HOME AND COMMUNITY SERVICES REGIONS

The purpose of this appendix is to illustrate the 10 DHSS regions.



Source: DHSS