

**Follow-Up Audit
of the
Center For Drug Free Living**

**Report by the
Office of County Comptroller**

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September 28, 2001

Richard Crotty, County Chairman
And
Board of County Commissioners

We have conducted a follow-up audit of the Center For Drug Free Living Contract Y1-2004. Our original review included the period of October 1, 1996 to September 30, 1997. Testing of the status of the previous Recommendations for Improvement was performed for the period October 1, 2000 through December 31, 2000. Our audit was conducted in accordance with generally accepted government auditing standards and included such tests as we considered necessary in the circumstances.

The accompanying Follow-Up to Previous Recommendations for Improvement presents a summary of the previous conditions and the previous recommendations. Following the recommendations is a summary of the current status as determined in this review.

We appreciate the cooperation of the personnel of the Health and Family Services Department and the Center For Drug-Free Living during the course of the audit.

Martha O. Haynie, CPA
County Comptroller

c: Ajit Lalchandani, County Administrator

**IMPLEMENTATION STATUS OF
PREVIOUS RECOMMENDATIONS
FOR IMPROVEMENT**

**FOLLOW-UP TO THE AUDIT OF THE CENTER FOR DRUG FREE LIVING CONTRACT Y7 -2007
STATUS OF PREVIOUS RECOMMENDATIONS FOR IMPROVEMENT**

NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS			
		IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED	NOT APPLICABLE
1.	We recommend performance results reported to the County include all clients participating in the programs, regardless of their length of stay. If the Center does not have to include clients with stays of less than 30 days, then such language should be added to future contracts.		X		
2.	We recommend the County specify the residential program level of service to be provided in future contracts with the Center. It should include a duration of service benchmark, defining the length of stay that is considered as short term and long term, that corresponds to the classifications contained in the Florida Administrative Code.			X	
3. A)	We recommend the Center exercise greater care to ensure that performance measurement data on quarterly reports matches underlying documentation in client files.	X			
B)	We recommend quarterly report performance data should include results that pertain only to those clients (i.e. Orange County residents) serviced in the programs funded by the County. In addition, all Orange County residents admitted to the Center should also be accounted for in the performance data.			X	
4.	We recommend alterations to the agreement be approved by the Center and the Board of County Commissioners in writing.				X
5.	We recommend Center staff obtain documentation during the client intake process sufficient to support verification of residency and income.		X		

**FOLLOW-UP TO THE AUDIT OF THE CENTER FOR DRUG FREE LIVING CONTRACT Y7 -2007
STATUS OF PREVIOUS RECOMMENDATIONS FOR IMPROVEMENT**

NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS			
		IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED	NOT APPLICABLE
6.	We recommend the Center enhance its collection of service fees by instituting procedures to identify clients with the ability to pay for services received and enforcing agreed upon payment plans.		X		
7.	We recommend to help ensure that costs are incurred only for services received, the County's payments to the Center under future contracts be based on the actual number of bed days of service provided.	X			
8.	We recommend future contracts include a provision requiring that the Center's insurance providers be rated by an industry recognized rating service.	X			

INTRODUCTION

INTRODUCTION



Follow-Up Audit of the Center for
Drug Free Living Contract Y7-2007

Scope and Methodology

The audit scope was limited to determining the status of the Recommendations for Improvement noted in the previous audit of the Center for Drug Free Living (“Center”) Contract Y7-2007 issued in October 1999.

Contract Y1-2004 was used to follow-up the recommendations to the previous contract. The contract period was October 1, 2000 through September 30, 2001. This contract provides for similar residential treatment services as the previous contract.

The objective of the audit was to determine whether the recommendations from the previous audit have been implemented, partially implemented, or not implemented.

To determine the status of recommendations from the previous audit report, we reviewed quarterly reports submitted to Orange County by the Center to ensure that the reports included data on all Orange County patients who received residential treatment services for the period being reported.

We reviewed contract documents to ensure that the type of treatment to be provided is specified in the contract documents.

We reviewed the backup to selected quarterly report performance measures and ensured that the Center accurately computed the data.

We reviewed the contract’s definition of current residential program services provided by the Center and ensured that any changes to services provided, eligible recipients and unit costs were properly amended in the contract and approved in writing by both parties.

We reviewed client files of Orange County patients at participating residential centers to ensure that Orange County residency and personal income was documented within the files.

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We reviewed client file financial information to ensure that the Center attempted collection of applicable service fees charged to eligible clients.

We reviewed contract Y1 -2004 to ensure that payments to the Center are based on the number of bed days of service provided.

We reviewed the contract to ensure that the County included requirements that the Center's selected insurance providers are rated by an industry recognized rating service.

**FOLLOW-UP TO PREVIOUS
RECOMMENDATIONS FOR
IMPROVEMENT**



1. Performance Results Should Include All Clients Participating in the Center's Programs

The Center For Drug Free Living, Inc. (Center) did not include clients who stayed in a residential program for 30 days or less, when providing the County with quarterly performance reports. The contract requires that the Center provide reports that document the services that have been provided to the County and does not include language exempting program results for clients treated less than 30 days.

We Recommend performance results reported to the County include all clients participating in the programs, regardless of their length of stay. If the Center does not have to include clients with stays of less than 30 days, then such language should be added to future contracts.

Status:

Partially Implemented. Contract language stating that the Center should include or exclude clients with stays of less than 30 days was not added to the current contract Y1-2004.

The placement report for October through December 2000, provided by the Center to the County, recorded 48 clients as having been discharged from the program for that quarter. The performance report included the results of only the Orange County clients who received more than 30 days of treatment. As such, it could be extrapolated that the clients who did not receive 30 days of treatment did not successfully complete the program. However, this was not specifically reported.

We Again Recommend performance results reported to the County specifically include all clients participating in the programs. If the Center does not have to include clients with stays of less than 30 days, then such language should be added to future contracts.



2. The Type of Treatment to Be Provided Should Be Specified in Future Contracts

Residential substance abuse treatment programs are classified in the Florida Administrative Code according to the length of time that care is extended. The three levels of care described in the Code cover periods of treatment not exceeding 60 days to over one year. The County's contract with the Center did not specify the level of service to be provided by each of the Center's residential programs.

We Recommend the County specify the residential program level of service to be provided in future contracts with the Center. It should include a duration of service benchmark, defining the length of stay that is considered as short term and long term, that corresponds to the classifications contained in the Florida Administrative Code.

Status:

Not Implemented. The new contract (Y1-2004) does not include language specifying the type of treatment to be provided as it relates to the length of a client's stay at the residential facility. There is no explanation as to the number of days that constitutes a long-term stay or a short-term stay by a client at the facilities. The contract does not make reference to the standards for length of stay that are recorded in the Florida Administrative Code.

We Again Recommend the County specify the residential program level of service to be provided in future contracts with the Center. It should include a duration of service benchmark, defining the length of stay that is considered as short term and long term, which corresponds to the classifications contained in the Florida Administrative Code.



3. The Center Should Improve Its Computation and Reporting of Program Performance Data

The Center provides the County with quarterly performance reports for each residential treatment program indicating the results of training, education and counseling extended to clients in health awareness, job skills and substance abuse. During our previous review, we noted the following concerns:

- A) Twenty-four percent (21 of 86) of the performance data measures were inaccurately reported.
- B) Our testing found that 12 more Orange County citizens were enrolled per the admissions report than the 83 recorded on the quarterly reports.
- C) The contract requires the Center to provide the County with results for clients that are Orange County citizens. The Center reported performance measures on a program-wide basis. Thus, clients who were not Orange County citizens were included in program measurement results attributed to services covered by the contract.

The inconsistencies noted above make an accurate evaluation of results from programs funded by the County difficult.

We Recommend:

- A) The Center exercise greater care to ensure that performance measurement data on quarterly reports matches underlying documentation in client files.
- B) Quarterly report performance data should include results that pertain only to those clients (i.e. Orange County residents) serviced in the programs funded by the County. In addition, all



Orange County residents admitted to the Center should also be accounted for in the performance data.

Status:

- A) Implemented. We noted two insignificant clerical errors in the October through December quarterly report (under the current contract) sent to Orange County by the Center for Drug Free Living.
- B) Not Implemented. Six of the nine women reported on the fourth quarter 2000 report we reviewed were not Orange County residents. In addition, 26 percent (9 of 35) of the individuals reported on the October through December quarterly report (under the current contract) were not clients residing in Orange County.

We Again Recommend quarterly report performance data should include results that pertain only to those clients (i.e. Orange County residents) serviced in the programs funded by the County.

4. Contract Alterations Should Be Approved in Writing by the Center and the County

The contract stipulated that any modifications or variations of the agreement's provisions must be agreed upon by both parties in writing and attached to the original document. We noted program changes initiated by the Center that were not identified in written amendments to the contract.

We Recommend alterations to the agreement be approved by the Center and the Board of County Commissioners in writing.



Status:

Not Applicable. There were no program alterations made to the current contract Y1-2004.

5. Center Staff Should Prepare Documentation Sufficient to Support Verifications of Residence and Income

We could not ascertain whether Center staff performed residency and income verifications because documentation sufficient to support these procedures could not be located. Areas of concern included the following:

- A) None of the clients tested at the Women's Residential Program had their residency confirmed.
- B) Seventy-six percent (13 of 17) of the clients at the Adult Short-Term Program did not have their residency confirmed and 56 percent (10 of 18) did not have their income verified.
- C) None of the clients tested at the Men's Short-Term Program had their residency confirmed and 94 percent (17 of 18) did not have their income verified.

We Recommend Center staff obtain documentation during the client intake process sufficient to support verification of residency and income.

Status:

Partially Implemented. Regarding verification of residency, we reviewed ten files from the Short-Term Residential program. We noted that the intake staff made copies of the client's state driver's license or state identification card in nine of the ten cases. Four of the



nine files that contained a copy of the client's photo I.D. contained out of County I.D.s. None of the files contained any other source documentation to verify residency, such as a phone bill, utility bill, or rent receipt.

There was a copy of all six clients individual state driver's license or state ID card from the Women's Residential Program. However, two of the clients had licenses that were not of Orange County residency.

The income verification performed for nine of the ten client files of the Short-Term Residential program consisted of the financial screener completing the financial screening form by checking the unemployed box, since all nine clients reported that they were unemployed. No corroborating verification of the unemployment status was performed. The one other file did not indicate an employment status.

Two of the unemployed clients in the Short-Term Residential program reported receiving monthly SSI income. However, there was no documentation in the file to substantiate the income.

We Again Recommend Center staff obtain documentation during the client intake process sufficient to support verification of residency and income.

6. The Center Should Strengthen Its Efforts To Collect Service Fees

The contract allows the Center to collect fees for services in accordance with state and federal guidelines. We analyzed a sample of clients and noted the following:

- A) The Center collected \$615 from ten clients that had participated in the Women's Residential Program for 1,091 days during the audit period.

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- B) At the Adult Short-Term Program, the Center collected 37 percent or \$2,943 of the \$7,969 billed to eighteen clients who were in the program for 726 days.

- C) The Center collected 55 percent (\$771 of the \$1,403) of the billings from nineteen clients who were in the Men's Short-Term Residential Program for 1,194 days.

We Recommend the Center enhance its collection of service fees by instituting procedures to identify clients with the ability to pay for services received and enforcing agreed upon payment plans.

Status:

Partially Implemented. During our review, we found the Center had enhanced procedures during the financial screening process to help determine the financial condition of the applicant applying for residential treatment services. We found that clients selected during our review were required to pay \$10 per day for the length of their stay, despite documentation in the file that these clients would qualify for a 100 percent discount based on their income or lack of income on their sliding fee scale. Although repayment agreements were entered into with some of these clients, procedures to collect any monies from these clients once they were discharged from the program (clients are not allowed to work or become employed while enrolled in the treatment programs) were not developed.

We Again Recommend the Center enhance its collection of service fees by instituting procedures to enforce agreed upon payment terms.



7. The County Should Base Payments to the Center on Units of Service Provided

The County's funding of the Center's programs is derived by applying units of service, expressed in residential bed days, to a unit cost. Unit costs are calculated by dividing estimated total program costs by estimated total bed days. Thus, payments to the Center are supposed to be based on the number of bed days of service provided. However, during the audit period the Center was paid one-twelfth of the maximum contract price of \$355,000 or \$29,583 each month.

We Recommend to help ensure that costs are incurred only for services received, the County's payments to the Center under future contracts be based on the actual number of bed days of service provided.

Status:

Implemented. Rather than pay by actual bed days per quarter, the Center pays the contract at a 1/12-payment ratio for each month in the quarter. At the end of the year or each quarter if applicable, the County adjusts the payment made to the Center if it computes that the center has not provided the total bed days as agreed upon in the contract. During our review, we noted no adjustments as the Center had provided the required number of bed days.

8. The County Should Ensure Future Contracts Require That Selected Insurance Providers Are Rated by an Industry Recognized Rating Service

The fiscal year 1997 contract did not include a clause requiring the Center's insurance providers to have a financial rating by an industry-recognized service (e.g. A.M. Best). The fiscal year 1999 contract does not address this issue. Additionally, A.M. Best did not rate

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the company providing workers compensation coverage for the Center.

We Recommend that future contracts include a provision requiring that the Center's insurance providers be rated by an industry recognized rating service.

Status:

Implemented. The current contract Y1-2004 contains a provision that requires the Center's insurance providers be rated by an industry recognized rating service. All carriers providing coverage on the contract had an A rating or better by the A. M. Best insurance rating service either through the company contracted or through the third party company providing the re-insurance coverage, if applicable.