

Commonwealth of Pennsylvania
Department of Public Welfare
Ebensburg Center
July 1, 2003, to July 7, 2006
Performance Audit



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April 11, 2007

The Honorable Edward G. Rendell
Governor
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120

Dear Governor Rendell:

This report contains the results of the Department of the Auditor General's performance audit of the Department of Public Welfare's Ebensburg Center for the period July 1, 2003, to July 7, 2006. The audit was conducted under authority provided in Section 402 of The Fiscal Code and in accordance with *Government Auditing Standards* as issued by the Comptroller General of the United States.

The report details the audit objectives, scope, methodology, findings, and recommendations. The report notes that Ebensburg did not provide all employees with required cardiopulmonary resuscitation training nor supplemental procedures training. The contents of the report were discussed with the management of Ebensburg Center, and all appropriate comments are reflected in the report.

We appreciate the cooperation extended to us by the management and staff of Ebensburg Center and by others who provided assistance during the audit.

Sincerely,

JACK WAGNER
Auditor General

Table of Contents

Page

Background Information.....	1
Department of Public Welfare - Office of Mental Retardation	1
Ebensburg Center	1
Objectives, Scope and Methodology.....	3
Audit Findings	5
Staff Training.....	5
Finding 1 – Ebensburg did not provide all employees with required cardiopulmonary resuscitation training.....	5
Finding 2 – Ebensburg did not provide supplemental procedures training.....	6
Human Resources	7
Finding 3– The SAP R/3 Payroll module records were accurate.....	7
Revenue Management	8
Finding 4 – Ebensburg processed revenue transactions accordancing to policies and procedures.	8
Status of Prior Audit Findings and Recommendations.....	9
Staff Training.....	9
Finding I-1 – Ebensburg did not provide all required cardiopulmonary resuscitation training.....	9
Finding I-2 – Improvements in supplemental procedures training were required....	9
Incident Management	10
Finding II-1 – Improvements in incident and investigation reporting were required.	10
Service Provision.....	10
Finding III-1 – Prescribed dental services were not always timely.....	10
Procurement.....	11
Finding IV-1 – Advancement account processes were not reviewed.....	11
Finding IV-2 – Duties for SAP transactions were inadequately segregated.....	11
Medicare Part B.....	12
Finding V-1 – Medicare Part B revenue was still not maximized.....	12
Audit Report Distribution List	13

Background Information

Department of Public Welfare - Office of Mental Retardation

The Office of Mental Retardation (OMR) was established within the Department of Public Welfare by an Executive Board order on December 8, 1972. The OMR is responsible for the operation and supervision of mental retardation programs administered by state, county, and private providers. Services provided in these programs are classified into four categories:

- ✓ Nonresidential community based service.
- ✓ Residential community based service.
- ✓ Intermediate care facilities.
- ✓ Institutional care.

To provide care in the institutional setting, the OMR is directly responsible for the operations of six mental retardation centers. The centers are physically separate institutions, providing residential care to individuals with severe and profound mental retardation.

Ebensburg Center

Ebensburg Center is one of six state mental retardation centers operated by the OMR. It is located in the borough of Ebensburg, Cambria County, approximately 25 miles west of Altoona. It was established in 1961 as an annex to Selinsgrove Center and obtained its current designation in 1976. Ebensburg provides a structured environment for mentally retarded individuals to enhance the skills and behaviors for community and family living in order to promote eventual placement in community settings.

Ebensburg is situated on approximately 100 acres of land. In addition to seven residential buildings, Ebensburg has thirteen support buildings, which house services, such as the administrative offices, warehouse, power plant, and the dietary, and maintenance shops. A facility director manages the operations of Ebensburg with the assistance of management personnel assigned to four primary divisions: Program Services; Medical Services; Support Services; and Planning, Evaluation and Development.

A nine-member board of trustees, appointed by the Governor with the advice and consent of the Senate, serves in an advisory capacity to Ebensburg's management.

Ebensburg, currently certified by the Pennsylvania Department of Health, provides intermediate care for the mentally retarded. Ebensburg also provides specialized services to individuals diagnosed as mentally retarded with severe emotional/behavioral needs.

Background Information

Ebensburg considers patient referral only after the base service units for each potential individual's county mental health/mental retardation program offices have determined that all possible alternatives for community service have been exhausted.

The following schedule presents select unaudited Ebensburg operating data compiled for the fiscal years ended June 30, 2004 and 2005:

	2004	2005
Operating expenditures (rounded in thousands) ¹	\$47,305	\$50,221
Employee complement at year end	738	735
Bed capacity at year-end	402	402
Available client days of care	147,132	146,730
Daily average client census ²	289	281
Actual client days of care	105,807	102,473
Percent utilization (based on client days of care)	71.2%	69.8%
Daily average cost per client ³	\$447	\$490
Yearly average cost per client ⁴	\$163,602	\$178,850

¹ Operating expenditures are recorded net of fixed asset costs, an amount that would normally be recovered as part of depreciation.

² Daily average census was calculated by dividing the actual client days of care for the year by the number of calendar days in the year.

³ Daily average cost per client was calculated by dividing the total operating expenditures by the actual client days of care.

⁴ Yearly average cost per client was calculated by multiplying the daily average cost per client by the number of calendar days in the year.

Objectives, Scope and Methodology

We selected the audit objectives, detailed in the body of the report, from the following general areas: Staff Training, Human Resources, and Revenue Management. In addition, we determined the status of the recommendations made during the prior audit of Ebensburg. The specific objectives for this audit were:

- To determine if Ebensburg provided its direct care workers with timely cardiopulmonary resuscitation training and whether procedures were developed to ensure that supplemental procedures training was provided and documented. (Finding 1)
- To determine if the Ebensburg had adequate management controls over the Human Resources functions. (Finding 3)
- To determine the accuracy of Ebensburg's revenue system for the collection of self-pay and third party revenue. (Finding 4)
- To determine the status of management's corrective actions in the areas of staff training, incident management, service provision, procurement and Medicare Part B.

The scope of the audit was from July 1, 2003, to July 7, 2006, unless indicated otherwise in the individual testing methodologies that follow.

To accomplish the objectives, auditors reviewed applicable Commonwealth,⁵ and Department of Public Welfare policies.⁶

Auditors interviewed Ebensburg management and staff responsible for providing and tracking employee training, for maintaining Ebensburg's payroll and human resources records and staff responsible for self-pay and third party revenue collection. In discussions with Ebensburg's management and staff, the auditors obtained an updated understanding of the progress in implementing the prior audit's recommendations and other corrective action to resolve the prior findings.

Auditors analyzed 665 staff records in order to determine if staff received timely CPR training and if procedures were developed to ensure that supplemental procedures training

⁵ Commonwealth of Pennsylvania, The Pennsylvania Code, Chapter 4310 – Client Liability-State MH/MR Facilities.

⁶ Department of Public Welfare, Office of Mental Retardation, Bureau of Direct Program Operations and Medical Director, Health Emergency Response Policy.

Objectives, Scope and Methodology

was provided and documented, auditors also analyzed training records for the 39 of 334 direct care staff assigned to eight selected residents.

Auditors assessed the adequacy of management controls over the Human Resources functions by randomly selecting and testing 37 of 767 employee records from the last payroll generated under Integrated Central Systems (ICS) and compared hourly wage rates in the old system to the hourly wage rates generated under the SAP R/3 Payroll module for January 9, 2004. They also analyzed these records for overtime and leave usage for two consecutive pay periods ending July 22, 2005, and February 3, 2006, to determine if the payroll-related data were properly recorded. In addition, auditors reviewed the 37 selected employees' employment history summaries for properly approved pay raises, promotions, and new appointments for the period January 1, 2004, through May 15, 2006. Finally, they randomly selected and tested 25 of 644 instances of overtime earned by the five time advisors from January 1, 2005, through December 31, 2005. Auditors tested the transactions for proper authorization and justification.

To determine the accuracy of Ebensburg's system for the collection of self-pay and third party revenue, auditors reviewed the monthly Statement of Financial Status Accounts Receivable Report and monthly Receipt Transaction Journal Reports for July 1, 2004, through June 30, 2005. Auditors randomly selected and tested a sample of 24 resident records from the monthly Receipt Transaction Journal Reports, and analyzed the 24 selected Financial Reimbursement Office Assessment Calculation Worksheets for accuracy.

To determine the status of management's corrective actions for findings and recommendations made in the prior audit, in the areas of staff training, incident management, service provision, procurement and Medicare Part B, the auditors reviewed the Department of Public Welfare written response, dated February 25, 2005, replying to the Auditor General's audit report. Auditors used information gathered from test performed as part of, or in conjunction with, the current audit, and had discussions with appropriate Ebensburg personnel regarding the prior audit results and recommendations.

Audit Findings

Staff Training

Ebensburg Center, through its Office of Training and Development, is responsible for providing the direct care staff with initial orientation and continuing education and training programs that focuses on skills and competencies directed toward the individuals' care.

Finding 1 – Ebensburg did not provide all employees with required cardiopulmonary resuscitation training.

The prior audit disclosed that of the employee records selected for audit testing, approximately 20 percent of the employees in the sample did not renew their Cardiopulmonary Resuscitation (CPR) training within the required two-year period. As a result of the prior finding, Ebensburg's training department developed a database that included the last certification date and the next expiration date for all employees required to maintain CPR certification that included the last certification date and the next expiration date.

Department Policy states that:

All direct care and program staff must be trained in Basic CPR ... At a minimum, retraining must occur at least every two years. Training must be documented with training records maintained for each employee.⁷

Auditors reviewed the database during the current audit and determined that 32 of the 665 employees listed did not renew their CPR certifications within the required timeframe. As of May 24, 2006, the 32 certifications had an average expiration of approximately 116 days. In addition, two employees listed on the database did not have any CPR training dates listed on the database or in their training records.

Auditors also compared the CPR training database with the April 2006 employee complement report in order to determine if all Ebensburg employees that require CPR certification were included. Auditors identified seven employees listed on the complement that were not on the database. Of those seven employees, three did not renew their certifications within the required timeframe. As of May 24, 2006, the three employees' certifications had an average expiration of 93 days.

⁷ Department of Public Welfare, Office of Mental Retardation, Bureaus of Direct Program Operations and Medical Director, Health Emergency Response Policy, Staff Training Requirements, page 2.

Audit Findings

Discussions with Ebensburg management revealed that the majority of the individuals who did not renew their CPR certifications were employees who transferred from Altoona Center due to its closure. In addition, employees may be assigned to a training day, but no one followed up to ensure that all staff attended their assigned training and the database may not have been updated. Also, the scheduling supervisor became overwhelmed and did not have time to schedule CPR training. Failure to provide CPR retraining may increase the risk of injury or death during an emergency.

Recommendation:

- Ebensburg management should ensure that all direct care staff receive updated training and renew their certifications within the required timeframe.
- Management should also periodically review the database to ensure that all required employees are included on the list.

Management Comments

Management agreed with the finding. They are in the process of changing the database in order to ensure that all individuals receive training in a timely manner.

Finding 2 – Ebensburg did not provide supplemental procedures training.

Our prior audit reported that Ebensburg did not provide all direct care staff with the required supplemental procedures training. Also, Ebensburg did not have a written policy for providing the training and for the documentation of the training.

Our current audit disclosed that the Ebensburg again failed to ensure that direct care staff received the specialized training noted on the supplemental procedures forms. In addition, the Ebensburg did not develop a written policy for providing documentation of the training.

Auditors selected 39 direct care workers for testing of supplemental procedures training. The following table reflects the results of that testing.

<u>Supplemental Procedures</u>	<u>Number of staff</u>	<u>Percentage</u>
Received all training	17	44%
Received some training	17	44%
No training	<u>5</u>	<u>12%</u>
Total	<u>39</u>	<u>100%</u>

In addition, only 66 percent of the training attendance sheets for the 39 direct care staff were signed as having received the required training.

Audit Findings

Ebensburg management stated that the supplemental procedures training are completed when direct care employees are assigned to specific residents. Management also stated that, even though employees received the training, the documentation might not always be maintained because of time constraints. In addition, it is possible for direct care employees to transfer to a different unit in order to work a more desirable shift. Therefore, he or she must be trained in the supplemental procedures of approximately twenty different residents, which may take additional time to complete.

Recommendation:

- Ebensburg management should develop and enforce written policies and procedures to ensure that all direct care staff receive annual supplemental procedures training.
- The policy should require the direct care staff supervisors maintain documentation such as a file note or an e-mail, etc. to ensure that the training was received and documented.

Management Comments

Management agreed with the finding and they will take the necessary steps to ensure that all training is received and documented.

Human Resources

Ebensburg began using the SAP R/3 modules for Human Resources and Payroll in January 2004.

Finding 3 – The SAP R/3 Payroll module records were accurate.

The testing of the 37 selected employees revealed that hours worked and benefits were documented and calculated correctly. Auditors also found that employee leave records tested were calculated and recorded properly. Leave slips were completed and submitted for each instance of leave recorded. Testing of overtime for the 20 selected employees found that overtime was properly authorized and justified. In addition, auditors found that the all new appointments, transfers, and promotions tested were properly approved. Therefore, we concluded that adequate control existed over the R/3 Payroll module.

Audit Findings

Revenue Management

The Department of Public Welfare's Reimbursement Operations mission statement is to establish and maintain uniform standards and to maximize the recovery of funds for the care provided at Commonwealth operated mental health/mental retardation facilities within the parameters set by state and local regulations.

Ebensburg's Facility Reimbursement Office is responsible for deciding to what extent and who is able to pay for patients' care; billing for care provided within the limits of the calculated liability; accounting for the charges and payments; safeguarding, depositing and reporting funds, pursuing delinquencies; applying and/or assisting in applying for patient benefits; ensuring confidentiality of client financial records; and advising facility management of financial matters.

Finding 4 – Ebensburg processed revenue transactions accordancing to policies and procedures.

Our audit of Ebensburg's revenue system revealed that Ebensburg complied with Commonwealth and Department policies and procedures for revenue management. In addition, Ebensburg increased collection of the other revenue receivables for July 1, 2004 to June 30, 2005. Therefore, we concluded that adequate control existed over other revenue.

Status of Prior Audit Findings and Recommendations

The following is a summary of the audit results and recommendations presented in the audit report for the period July 1, 2001, to January 23, 2004, along with a description of the Ebensburg's disposition of each recommendation.

Staff Training

Finding I-1 – Ebensburg did not provide all required cardiopulmonary resuscitation training.

Our prior audit reported Ebensburg did not retrain and renew the CPR certifications for 10 of the 50 sampled workers. As of November 1, 2003, the 10 certifications had been expired an average of 256 days.

We recommended that Ebensburg management ensure that all direct care workers receive timely CPR retraining and certification renewal.

Status:

Our current audit disclosed that this issue still exists. Please refer to Finding 1 of the current report for further discussion.

Finding I-2 – Improvements in supplemental procedures training were required.

Our prior audit reported that Ebensburg failed to ensure that its direct care staff received the specialized training on the supplemental procedures.

We recommended that Ebensburg management develop and enforce written policies and procedures that require both the provision and documentation of annual training in supplemental procedures for all direct care staff.

Status:

Our current audit disclosed that this issue still exists. Please refer to Finding 2 in the current report for further discussion.

Status of Prior Audit Findings and Recommendations

Incident Management

Finding II-1 – Improvements in incident and investigation reporting were required.

Timeliness Of Reports:

Our prior audit disclosed that Ebensburg did not submit final reports for 6 of the 25 investigations within the 30-day time period as required by Department policy. Furthermore, Ebensburg did not document that it had notified OMR of any deadline extensions.

Family Notification:

Our prior audit found that Ebensburg did not inform families of the existence nor investigation outcomes for 8 of the 25 reviewed incidents.

We recommended that Ebensburg management ensure that all final investigation reports are completed and submitted timely in accordance with established regulations and policies. In addition, we recommended that Ebensburg management document family notification of incidents and the outcomes of any investigations in accordance with Department policy.

Status:

Our current audit disclosed that Ebensburg improved the timeliness of reports and documenting family notification. Auditors reviewed 25 of 51 investigations from July 2004 to April 2006 and found that all final investigative reports were completed within the 30-day time period. In addition, Ebensburg maintained documentation that families were notified within 24 hours of the incident. Therefore, auditors concluded that Ebensburg has complied with our recommendations.

Service Provision

Finding III-1 – Prescribed dental services were not always timely.

The prior audit reported that nine of 25 residents did not receive timely annual dental examinations.

We recommended that Ebensburg management develop and enforce procedures to ensure timely dental examinations for all residents.

Status of Prior Audit Findings and Recommendations

Status:

During our current audit, auditors tested a sample of 25 residents and found that all clients received their annual dental examinations in a timely manner. Ebensburg has complied with our prior audit recommendation.

Procurement

Finding IV-1 – Advancement account processes were not reviewed.

The prior audit reported that Ebensburg management did not reconcile the completed checks or the Advancement Account check register with the supporting documentation for purchases.

We recommended that the Department and Ebensburg management periodically compare checks and the Advancement Account check register with the supporting documentation.

Status:

Our current audit found that the Ebensburg has implemented adequate management controls to monitor the Advancement Account transactions. Therefore, Ebensburg has complied with our recommendation.

Finding IV-2 – Duties for SAP transactions were inadequately segregated.

The prior audit reported that Ebensburg's two Purchasing Agents were assigned roles that permitted them to create purchase orders and receive storeroom-inventoried items in the SAP system. In addition, a Clerk Typist in the Purchasing Department was assigned the role that gave the ability to create purchase orders and receive non-inventoried goods.

We recommended that Ebensburg management evaluate the roles assigned to each Ebensburg employee in the current SAP system and make any necessary changes to optimize the segregation of duties.

Status:

Our current review disclosed that Ebensburg has not made the necessary changes in order to improve segregation of duties within the SAP system. Currently there are two purchasing agents and a clerk/typist that have been assigned the authority to create purchase orders and receive in the SAP system. Ebensburg management indicated that the purchasing agents were given the role of receiver as part of their job responsibilities in which they serve as backup for operations of both storerooms at Altoona and Ebensburg Centers. Altoona Center closed storeroom operations in May 2006. An employee from the storeroom at

Status of Prior Audit Findings and Recommendations

Altoona Center was transferred to Ebensburg Center's storeroom. Management indicated that because of this situation they would review the roles assigned to employees in the purchasing department and make the necessary changes. They will consider establishing compensating controls if optimum segregation of duties cannot be achieved.

Medicare Part B

Finding V-1 – Medicare Part B revenue was still not maximized.

Our prior audit found that a review of May 2002 medical records for 28 clients disclosed that Ebensburg did not receive approximately \$250 in Medicare Part B reimbursements for 33 procedures.

We recommended that Ebensburg enforce policies and procedures to ensure that its Medicare Part B revenue is maximized. In addition, we recommended that Ebensburg require all physicians who do not have a Medicare provider identification number to obtain the number. Also, we recommended that Ebensburg require the Nurse Practitioner to complete the application to reassign benefits for eligible services to Ebensburg. Finally, we recommended that Ebensburg investigate the lower reimbursement rates paid during 2002 and attempt to recover lost revenue.

Status:

Our current audit disclosed that Ebensburg received the correct reimbursement rate for procedures performed in 2005 and 2006. Ebensburg attempted to recover the lost revenue from 2002. However, they were unsuccessful due to Medicare time limitations. The Nurse Practitioner completed the application to reassign benefits for eligible services to Ebensburg in December 2004. In addition, Ebensburg requested Medicare provider identification numbers for all current physicians. Therefore, Ebensburg has complied with our prior recommendations.

Audit Report Distribution List

This report was initially distributed to the following:

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