

Performance Audit

White Haven Center

**Commonwealth of Pennsylvania
Department of Public Welfare**

July 1, 2005, to July 20, 2010



Performance Audit

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July 1, 2005, to July 20, 2010

August 5, 2010

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

Dear Governor Rendell:

This report contains the results of a performance audit of White Haven Center from July 1, 2005, to July 20, 2010, except where we expanded the scope to assess all relevant information objectively. The audit was conducted under authority provided in Section 402 of The Fiscal Code and in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States.

The report details the audit objectives, scope, methodology, findings, and recommendations. The report notes that White Haven Center did not maximize Medicare Part B collection efforts. Also, the report notes weaknesses in contract monitoring, and White Haven Center made errors calculating incentive payments to its employees. The contents of the report were discussed with the officials of White Haven Center and all appropriate comments are reflected in the report.

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

Sincerely,

JACK WAGNER
Auditor General

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Background Information

Background Information

Department of Public Welfare – Office of Developmental Programs

An Executive Board order established the Office of Mental Retardation within the Department of Public Welfare, on December 8, 1972. As a result of reorganizations, the Office of Mental Retardation became the Office of Developmental Programs and within that, the Bureau of Supports for People with Intellectual Disabilities. This bureau directs the fiscal and program planning, management and oversight of all mental retardation program operations including state operated facilities and community mental retardation programs.¹ Services provided by these programs are classified into four categories:

- Nonresidential community-based service
- Residential community-based service
- Intermediate care facilities
- Institution care

To provide care in the institutional setting, the bureau is directly responsible for the operation of five mental retardation centers: Ebensburg/Altoona, Hamburg, Polk, Selinsgrove, and White Haven. The centers are physically separate institutions that provide residential care to individuals with severe and profound mental retardation.

White Haven Center

White Haven Center is one of five mental retardation centers operated by the Office of Developmental Programs. It is located in the town of White Haven, Luzerne County, approximately 15 miles northeast of Hazleton. White Haven Center conducts operations in 18 buildings located on 184 acres of land. Its overall mission is:

... to strive to be a viable, progressive and innovative service delivery system providing a maximum opportunity for personal growth to its men and women living at the Center.

¹ www.state.pa.us/About/ODP, accessed June 23, 2010.

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White Haven Center is certified by the Pennsylvania Department of Health to provide intermediate-type care, and receives cost of care reimbursements from the federal government through the Medicaid and Medicare programs for services rendered to eligible individuals.

A facility director manages day-to-day operations with the assistance from management personnel assigned to various divisions. Additionally, a nine-member board of trustees acts in an advisory capacity to management.

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The following schedule presents selected unaudited operating data compiled for the years ended June 30, 2006, 2007, and 2008:

	2006	2007	2008
Operating expenditures (rounded in thousands) ²			
State	\$18,591	\$17,996	\$18,666
Federal	<u>19,920</u>	<u>20,943</u>	<u>20,276</u>
Total	<u>\$38,511</u>	<u>\$38,939</u>	<u>\$38,942</u>
Employee complement at year-end			
Filled Salary	488	466	481
Filled Wage	<u>35</u>	<u>32</u>	<u>44</u>
Total	<u>523</u>	<u>498</u>	<u>525</u>
Bed capacity at year-end	275	275	275
Available client days of care ³	100,375	100,375	100,650
Average daily client population ⁴	198	193	183
Actual client days of care	72,188	70,270	66,913
Percent utilization (based on client days of care) ⁵	71.9%	70.0%	66.5%
Average daily cost per client ⁶	\$533	\$554	\$582
Annual average cost per client ⁷	\$194,722	\$202,259	\$213,005

² Operating expenditures are recorded net of fixed asset costs, an amount that would normally be recovered as part of depreciation. In addition, region and department level direct and indirect charges are not allocated to the totals reported here.

³ Available client days of care were calculated by multiplying bed capacity by the number of calendar days in the year.

⁴ Average daily population was calculated by dividing the actual client days of care for the year by the number of calendar days in the year.

⁵ Percent of utilization was calculated by dividing actual client days of care by available client days of care.

⁶ Average daily cost per client was calculated by dividing the total operating expenditures by the actual client days of care.

⁷ Annual 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

Objectives, Scope, and Methodology

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We selected the audit objectives from the following general areas, revenue management, contract management, personnel management, client management, expense management, and fixed asset management. The specific audit objectives were:

- To assess controls over billing and collection functions for Medicare Part B transactions. (Findings 1 and 2)
- To determine if selected purchase contracts were monitored properly. (Findings 3 and 4)
- To assess the training and certification of the professional staff. (Finding 5)
- To assess the completeness of emergency/evacuation plans and the management of elopement incidents. (Finding 6)
- To determine if White Haven Center maintained adequate control over employee travel expenses. (Findings 7 and 8)
- To evaluate controls over maintenance materials and supplies and ensure work orders were approved properly and processed timely. (Finding 9)
- To determine the propriety of the use of bonuses and other pay incentives for employees. (Finding 10)
- To assess the client complaint and incident management process. (Finding 11)

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We also performed tests as part of, or in conjunction with, the current audit to determine the status of the implementation of the recommendation made during the prior audit regarding contract management.

The scope of the audit was from July 1, 2005, to July 20, 2010, unless indicated otherwise in the individual topic areas of the report.

We reviewed Governor's Office documents regarding:

- Training⁸
- Emergency operations⁹
- Travel and subsistence¹⁰
- Bonuses and pay incentives¹¹

We reviewed Department of Public Welfare documents regarding:

- Training¹²
- Work orders¹³

⁸ Commonwealth of Pennsylvania, Governor's Office, Management Directive 535.1, "Employee Training and Development," effective February 9, 2000.

⁹ Commonwealth of Pennsylvania, Governor's Office, Management Directive 720.3, "Emergency Evacuation Plans at Commonwealth Facilities," effective December 3, 2004;
Commonwealth of Pennsylvania, Governor's Office, Management Directive 720.7, "Bomb Threats and Suspicious Packages," effective November 1, 2004.

¹⁰ Commonwealth of Pennsylvania, Governor's Office, Management Directive 230.10, "Travel and Subsistence Allowances," effective December 18, 2006;
Commonwealth of Pennsylvania, Governor's Office, Management Directive 230.15, "Continental United States High Cost Subsistence Allowances," effective March 29, 2007.

¹¹ Commonwealth of Pennsylvania, Governor's Office, Management Directive 525.16, "Physicians and Related Occupations Quality Assurance Program," effective February 14, 2006;
Commonwealth of Pennsylvania, Governor's Office, Management Directive 535.2, "Physicians and Related Occupations Specialty Board Certification Payments," effective February 21, 2006.

¹² Commonwealth of Pennsylvania, Department of Public Welfare, Personnel Manual, §7121, "Training and Development," reissued January 27, 1995;
Commonwealth of Pennsylvania, Department of Public Welfare, Personnel Manual, §7124, "In-Service Training," reissued February 19, 1999;
Commonwealth of Pennsylvania, Department of Public Welfare, Office of Administration, "Mandatory Training," February 2006.

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Objectives, Scope, and Methodology

- Emergency Operations¹⁴
- Incident management¹⁵

We reviewed White Haven Center documents and policies regarding:

- Service contracts¹⁶
- Emergency operations¹⁷
- Incident management¹⁸

In addition, we reviewed policies and procedures available on Medicare Part B claims processing,¹⁹ chapter six of the Field Procurement Handbook,²⁰ and applicable union contracts.²¹

¹³ Commonwealth of Pennsylvania, Department of Public Welfare, “Controlled Maintenance and Work Order System Manual,” effective February 23, 1989.

¹⁴ Commonwealth of Pennsylvania, Department of Public Welfare, Administrative Policies, “Emergency Operations Planning,” issued June 2, 2005.

¹⁵ Commonwealth of Pennsylvania, Department of Public Welfare, Mental Retardation Bulletin, Nr. 6000-04-01, “Incident Management,” effective February 28, 2004;
Labor Relations Alternatives, Inc., “Pennsylvania Certified Investigator Manual,” Part I, “The Organizational Context and Processes,” Chapter 2, “The Incident Management Process,” Fourth Edition, ©2004.

¹⁶ Commonwealth of Pennsylvania, Department of Public Welfare, White Haven Center, Purchasing Manual, Section VIII, “Service Contracts.”

¹⁷ Commonwealth of Pennsylvania, Department of Public Welfare, White Haven Center, Policy and Procedure Manual, “Terrorism/Threats – Emergency Operations,” effective January 27, 2004.

¹⁸ Commonwealth of Pennsylvania, Department of Public Welfare, White Haven Center, Policy and Procedure Manual, Section 109-010, “Incident Management;” effective March 7, 2007;
Commonwealth of Pennsylvania, Department of Public Welfare, White Haven Center, Policy and Procedure Manual, Section 103-345, “Complaint Procedure for People Served,” effective April 15, 2008;
Commonwealth of Pennsylvania, Department of Public Welfare, White Haven Center, Policy and Procedure Manual, Section 103-305, “State Center Bill of Rights and Code of Conduct for Persons Served at White Haven Center;” effective April 15, 2008;
Commonwealth of Pennsylvania, Department of Public Welfare, White Haven Center, Policy and Procedure Manual, Section 103-405, “Definition and Responsibilities for Reporting Abuse and Neglect,” effective May 15, 2003.

¹⁹ Medicare Part B Reference Manual, Chapter 5, “Patient Eligibility,”
<http://www.highmarkmedicare.com/partb/refman/index.html>, accessed October 2, 2008.

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We reviewed the Department of Public Welfare written response dated March 2, 2007, replying to the Auditor General’s report from July 1, 2003, through March 31, 2006.

We interviewed personnel responsible for obtaining Medicare Part B reimbursements including the facility reimbursement manager, medical records director, physician supervisor, program evaluation development director and licensed physical therapist. We interviewed the human resources director, the accountant, the fiscal assistant, storekeeper, the contract monitors, maintenance clerk typist, the staff development director, the facility safety director, garage manager, the assistant superintendent for administrative services. We also interviewed the unit manger director responsible for individual complaints, the planning evaluation development director manager responsible for incident management, the assurance risk management specialist responsible for submitting incidents to Home and Community Services Information System, and the White Haven Center advocate contracted through the Disability Rights Network of PA.

To assess controls over billing and collection functions for Medicare Part B transactions, we randomly selected a sample of 35 of 161 Medicare Part B eligible individual records and analyzed all encounter forms for each individual in our sample for May 2008 and November 2007. We then verified that billable procedures on each medical chart were included on the encounter forms and submitted to Medicare and that reimbursement was received for the procedures. We also verified that all medical professional staff was enrolled in the Medicare program and that “no-bill” reports were generated monthly.

To determine if selected purchase contracts were cost effective, and monitored properly, we randomly selected and analyzed 12 of 77 service contracts from July 1, 2006, through June 30, 2008 for proper bidding, approval, and monitoring procedures as well as the related billing and verification of the receipt of services.

“Medicare Physician Guide: A Resource for Residents, Practicing Physicians, and Other Health Care Professionals,” Ninth Edition, dated July 2007,
<http://www.cms.hhs.gov/MLNProducts/downloads/physicianguide.pdf>, accessed October 2, 2008.

²⁰ Commonwealth of Pennsylvania, Department of General Services, Field Procurement Handbook, M215.3, Revision No. 4, April 17, 2003.

²¹ Agreement between Commonwealth of Pennsylvania and the Pennsylvania State System of Higher Education and Pennsylvania Doctors Alliance, effective July 1, 2005, to June 30, 2009;
Agreement between Commonwealth of Pennsylvania and The Service Employees International Union, District 1199P, CTW, CLC, effective July 1, 2007, to June 30, 2011.

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To assess the training and certification of the professional staff, we randomly selected and examined the training records and licenses for 15 of the 60 licensed professional staff for fiscal years ended June 30, 2007, and June 30, 2008.

To assess the completeness of emergency/evacuation plans and management of elopement incidents we verified that the emergency operation plan complied with Commonwealth and Department of Public Welfare policies. We also determined that mandatory safety courses were taken by randomly selecting and reviewing training records for 15 of 60 licensed personnel and 18 of 53 employees hired between July 30, 2007, and June 30, 2008. Additionally, we ascertained that White Haven Center conducted fire drills in each building as required between July 1, 2007, and June 30 2008, and reviewed the safety committee minutes to identify any existing safety problems.

To determine if White Haven Center maintained adequate control over employee travel expenses, we randomly selected and examined the travel expense statements for 30 of 2,877 trips conducted during fiscal years 2005, 2006, and 2007. We also analyzed the monthly automotive activity reports for all four of White Haven Center pool cars for the fiscal year ended June 30, 2007.

To evaluate controls over maintenance materials and supplies, we verified that the center's accounting department completed physical inventories for the fiscal years ended June 30, 2007, and June 30, 2008, and completed spot-checks between July 1, 2006, and June 30, 2008. We also randomly selected and matched 61 of 895 inventoried maintenance supplies with automated reports, and examined 59 of 6,599 randomly selected completed work orders during the period of July 1, 2006, through June 30, 2008, for proper approval and timely completion.

To determine the propriety of the use of bonuses and other pay incentives for employees, we obtained and analyzed the bonuses or incentives paid out, as well as the payroll posting details for employees who received bonuses in the fiscal years ending June 30, 2005, 2006, 2007, and 2008.

To assess the client complaint and incident management process, we reviewed the meeting notes of the risk management committee and the human rights committee. We verified that 6 of 6 complaint forms filed between July 2005 and August 2008 were complete and the action taken complied with policy. We also randomly selected and reviewed 55 of 625 incident reports filed through the home and community services information system between July 2005 and September 2008 for compliance with investigative procedures. Additionally, we confirmed that all incident investigators' certifications were current.

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To determine the status of the implementation of the recommendation made during the prior audit regarding contract management, we reviewed the Department of Public Welfare's written response dated March 2, 2007, replying to the Auditor General's report from July 1, 2003, through March 31, 2006, and performed tests as part of, or in conjunction with, the current audit.

Audit Results

Audit Results

Medicare Part B

Individuals who receive Social Security, Railroad Retirement or similar retirement benefits, or disability payments may be eligible to participate in the Medicare Part B insurance program.²² For each eligible individual at White Haven Center, the Department of Public Welfare can seek reimbursement for certain services performed by White Haven Center's professional medical staff enrolled in the program.²³ After delivering services to an eligible individual, White Haven Center's medical personnel document each billable procedure on an encounter form, and then medical records staff code each of those procedures listed. Subsequently, the encounter forms are forwarded to the billing unit in the central office to bill for Medicare and Medicaid services.

Finding 1 – White Haven Center did not maximize Medicare Part B collection efforts.

White Haven Center did not ensure all Medicare Part B eligible encounters were documented on encounter forms. As a result, five eligible encounters were not billed. An examination of 87 medical charts disclosed that 5 eligible procedures totaling \$146.75 in reimbursements were not documented on encounter forms and, therefore, not reimbursed by Medicare. Since White Haven Center did not review medical charts to ascertain all eligible encounters were noted on encounter forms, omissions were not detected. A review of medical records and billings is an important aspect of the Medicare reimbursement process.

White Haven Center did not bill for eligible physical and occupational therapy services, because medical staff was unaware of a policy allowing reimbursement for certain procedures. As a result, Medicare reimbursements for these services were not collected.

²² Medicare Part B Reference Manual, Chapter 5, "Patient Eligibility,"
<http://www.highmarkmedicare.com/partb/refman/index.html>, accessed October 2, 2008.

²³ "Medicare Physician Guide: A Resource for Residents, Practicing Physicians, and Other Health Care Professionals," Ninth Edition, dated July 2007.
<http://www.cms.hhs.gov/MLNProducts/downloads/physicianguide.pdf>, accessed October 2, 2008.

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Physical and occupational therapy procedures at mental retardation centers are billable under certain circumstances. The Physical Medicine and Rehabilitation Services, physical and occupational therapy policy states that:

Physical medicine and rehabilitation services are covered when performed with the expectation of restoring the patient's level of function, which has been lost or reduced, by injury or illness.²⁴

When provided with Medicare Part B eligibility requirements, center staff cited two instances when Medicare could have been billed in accordance with the policy. One instance included an individual who suffered a stroke and the other, an individual who fractured a hip. Since medical staff did not know these medical procedures were billable, they were not tracked. White Haven Center staff could not provide a list of other physical and occupational therapy occurrences that could have been billed. White Haven Center medical staff and medical records personnel also expressed a need for training on Medicare Part B regulations.

Additionally, the physical and occupational therapists never enrolled in the Medicare program, since the facility was not aware that physical and occupational therapy services were billable. Therefore, the therapists did not maintain a valid individual national provider identifier necessary to process Medicare Part B encounters.

Recommendations:

1. White Haven Center management should establish a review process to ensure all eligible procedures are documented on encounter forms and billed to Medicare.
2. In addition, regular training sessions for all medical staff and medical records personnel should be instituted to ensure they remain current with Medicare regulations.
3. White Haven Center should ascertain that all staff performing therapeutic services possess a valid individual national provider identifier necessary to process eligible physical and occupational

²⁴ Highmark Medicare Services, LCD Y-1FF, "Physical Medicine and Rehabilitation Services, PT and OT," revised December 19, 2007. <http://www.highmarkmedicare.com/policy/partb/y1/y1ff.html>, accessed October 2, 2008.

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therapy procedures, and implement a system to track all eligible therapy procedures for billing Medicare.

Comments of White Haven Center Management:

At the pre-exit conference held on November 28, 2008, management stated that they will have to further research the omitted encounters for the physical and occupational therapy services issue, since federal government monies are being used as well.

Finding 2 – Medicare reimbursements were received and documented accurately.

Reimbursements from Medicare for the eligible encounters included on the 87 examined encounter forms were received and documented accurately. Payments were deposited directly to the bank account and remittance notices were received electronically. Payments were then posted to the “Medib” log, (an in-house accounting program that maintains a history of claims and payments). The “Medib” log creates history reports for each individual detailing the amount Medicare paid. The review of the transactions history reports for all individuals included in the sample disclosed that the claims were paid. Also, “no-bill” reports, which list every Medicare Part B eligible individual who had no encounters submitted for billing during each month, were generated by the central office billing unit and sent to the facility for review. “No-bill” reports serve as a vital tool to assist the medical records staff to ensure all eligible encounters are billed.

Contracts

White Haven Center contracts with various vendors to provide a variety of goods and services. The Commonwealth’s Field Procurement Handbook provides a standard approach and establishes policy, procedures, and guidelines to purchase supplies and services under the authority of Act 57 of 1998.²⁵ The purchasing department is responsible for the bidding and awarding of contracts. In addition, contract monitors are responsible for ensuring that adequate services are provided and expenditures are incurred according to contract stipulations.

²⁵Commonwealth of Pennsylvania, Department of General Services, Field Procurement Handbook, M215.3, Revision No. 4, April 17, 2003.

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Service contracts are utilized when the service cannot be provided by the facility. When services are required at irregular intervals and/or staff do not hold specified certifications, it is necessary to contract for these specialized services.²⁶ White Haven Center contracted with various professionals to provide services to clients.

White Haven Center entered into a vending service agreement to furnish vending machines for dispensing food and beverage items in locations throughout the institution. Proceeds from the vending machines benefit the White Haven Center “canteen fund,” and are used for various purchases and functions for the benefit of all clients. During the prior audit, deficiencies were found in the monitoring of the vending service agreement. White Haven Center management agreed with the audit recommendation and planned to assign a staff member to monitor the contract.

Finding 3 – Weaknesses existed in monitoring contracts.

Based on our review of contract terms and specifications, we concluded that White Haven Center complied with policies and procedures according to the Commonwealth’s Field Procurement Handbook regarding contract bidding. Contracts reviewed contained vendor quotes, bid contracts, and bid tabulation sheets.

However, two contract monitors responsible for seven separate contracts did not have copies of the contracts they were monitoring and one of the two monitors was unaware he was the appointed contract monitor. Although the monitor is able to visually determine if a contractor is in the facility, without knowing the specifics of the contract they are unable to determine if the contract is being properly executed.

Individuals appointed as contract monitors determine whether vendors performed in accordance with agreed upon terms. The purchasing manual for the center lists the contract monitor responsibilities as:

- Initiating the request for service.
- Assuring that the contract is executed as specified.
- Maintaining a log of service and other records.
- Authorizing the contractor invoices for payment.

²⁶ Commonwealth of Pennsylvania, Department of Public Welfare, White Haven Center, Purchasing Manual, Section VIII, “Service Contracts.”

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- Assuring that the services are provided satisfactorily.²⁷

Recommendation:

4. Management should ensure monitors are assigned properly to overlook contracts and possess copies of the contracts they are responsible to monitor.

Comments of White Haven Center Management:

At the pre-exit conference held on November 28, 2008, management stated that there have been two training sessions in the last six months for contract monitors.

Finding 4 – Vending commissions were not monitored adequately.

White Haven Center management did not require the vendor to provide machines with counters in accordance with the contract. As a result, vending commissions were not monitored adequately.

White Haven Center management stated that the vendor refused to put counters in machines because they do not generate enough money to justify the added expense.

White Haven Center had 32 vending machines located in various buildings throughout the facility. Twenty-one of these machines were equipped with counters, while 11 were not. Therefore, there was an increased risk for sales and commissions to be understated.

Vending sales from July 2007 through June 2008 for the 32 machines totaled \$47,804.96. White Haven Center received \$12,756.62 in commissions or 27 percent of the total sales. During the same period, the machines with counters generated an average of \$532.48 per machine compared to an average of \$143.14 in commissions for the eleven machines without counters.

Although the contract monitor accompanied the vendor to verify the count, the cash collected from machines without counters could not be verified.

²⁷ Commonwealth of Pennsylvania, Department of Public Welfare, White Haven Center, Purchasing Manual, Section IX, “Contract Monitor’s Responsibilities.”

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Recommendation:

5. Management should enforce the terms of the current contract to ensure White Haven Center receives the correct commissions from the vending machines. In the interim, management should implement monitoring procedures over cash collections.

Comments of White Haven Center Management:

At the pre-exit conference held on November 28, 2008, management stated that the purchasing agent will reiterate the importance of counters on the vending machines when the contracts are re-bid. Management also stated that they will accompany the vending company employee and count the amount of money generated by the machines.

Staff Training

Department of Public Welfare regulations require White Haven Center to provide each worker with initial and continuing education that focuses on the skills and safety of both the direct care staff and clients.²⁸ Management directives and Department of Public Welfare policies have established both content and frequency requirements for mandatory and voluntary training courses.²⁹ At the start of employment, professional staff receive mandatory new employee orientation, which includes the following training courses: emergency evacuation plans, HIV/Aids, state employee assistance program, sexual harassment, workers' right to know, and workplace violence prevention. Additionally an annual mandatory refresher course is required. According to the contractual agreement with the Commonwealth and Pennsylvania Doctors Alliance, permanent employees must complete a minimum of 50 continuing medical education credit hours per fiscal year.

²⁸ Commonwealth of Pennsylvania, Department of Public Welfare, Personnel Manual, §7121 "Training and Development," reissued January 27, 1995;

Commonwealth of Pennsylvania, Department of Public Welfare, Personnel Manual, §7124 "In-Service Training," reissued February 19, 1999.

²⁹ Commonwealth of Pennsylvania, Governor's Office Management Directive 535.1, "Employee Training and Development" effective February 9, 2000;

Commonwealth of Pennsylvania, Department of Public Welfare, Personnel Manual, §7121 "Training and Development," reissued January 27, 1995;

Commonwealth of Pennsylvania, Department of Public Welfare, Office of Administration, "Mandatory Training," February 2006.

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Dentists and podiatrists must complete a minimum of 15 continuing medical education credits per fiscal year.³⁰

Finding 5 – White Haven Center complied with mandatory training and certification requirements.

The professional staff at White Haven Center received the mandatory training required with the exception of one employee on extended sick leave. The training requirements were obtained through a refresher course and/or new employee training. Employee training records were maintained by inputting information from sign-in sheets into the computer system.

In accordance with the agreement between the Commonwealth and Pennsylvania Doctors Alliance as well as the state medical licensure requirements, the physicians and the dentist held current required professional licenses and obtained their continuing medical education credit hours. In addition, the nursing staff held the required professional licenses.

Emergency/Evacuation Plans

The Federal Emergency Management Agency determined that in recent years there have been between 45 and 75 presidentially declared disasters annually.³¹ Additionally, the threat of, or use of explosives, chemical and biological agents against educational, industrial, law enforcement institutions and the general public also increased at an alarming rate. Regardless of origin of occurrence, results of death, bodily injury, and/or property damage can take place.³² The Commonwealth of Pennsylvania³³ as well as the Department of Public

³⁰ Agreement between Commonwealth of Pennsylvania and the Pennsylvania State System of Higher Education and Pennsylvania Doctors Alliance, July 1, 2005, to June 30, 2009.

³¹ Medical News Today, “Emergency Evacuation Planning for Special Needs Populations Inadequate,” published July 24, 2008, <http://www.medicalnewstoday.com>, accessed August 29, 2008.

³² Commonwealth of Pennsylvania, Department of Public Welfare, White Haven Center, Policy and Procedure Manual, “Terrorism/Threats – Emergency Operations,” effective January 27, 2004.

³³ Commonwealth of Pennsylvania, Governor’s Office, Management Directive 720.3, “Emergency Evacuation Plans at Commonwealth Facilities,” effective December 3, 2004.

Commonwealth of Pennsylvania, Governor’s Office, Management Directive 720.7, “Bomb Threats and Suspicious Packages,” effective November 1, 2004.

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Welfare³⁴ recognize their responsibilities to protect the lives and property of the individuals and staff in the event of a natural or technological disaster or terrorism emergency or disaster. White Haven Center, as well as all Commonwealth facilities, are responsible for developing emergency evacuation plans to prepare for, respond to, and report emergencies such as fires, bombs, and terrorist incidents.³⁵

Finding 6 – White Haven Center established complete emergency evacuation plans.

The center emergency evacuation plan addressed actions to be taken by staff to protect the individuals, staff, and property in the event of an emergency and/or disaster.

In accordance with Management Directive 730.2, White Haven Center has completed the following:

- Appointed a facility safety director who is responsible to confer with emergency personnel regarding an appropriate emergency evacuation response as well as the need for evacuation.
- Prepared a written emergency evacuation plan, which describes emergency responses, and building evacuation plans as well as returning plans.
- Identified emergency personnel and established agreements with local and county emergency personnel.
- Posted a checklist and assigned personnel for emergencies, including fires, bombs, bomb threats, terrorist incidents, multiple casualty incidents, and threats.
- Established emergency shelters.
- Provided emergency training to all employees during orientation, as well as annually.
- Conducted severe weather evacuation drills annually and fire evacuation drills quarterly.

³⁴ Commonwealth of Pennsylvania, Department of Public Welfare, Administrative Policies, “Emergency Operations Planning,” issued June 2, 2005.

³⁵ Commonwealth of Pennsylvania, Governor’s Office, Management Directive 720.7, “Bomb Threats and Suspicious Packages,” effective November 1, 2004.

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The plan also addresses the following in accordance to Department of Public Welfare administrative policies:

- An up-to-date listing of home and cell phone numbers of key personnel.
- An up-to-date listing of business and cell phone numbers of emergency management officials, police, and utility company liaisons.
- Alternative methods of communication using short wave radios.
- Accessibility of basic emergency supplies.
- Availability of transportation services.
- Methods and types of food preparation.
- Types of volunteer services needed to assist key personnel.

Additionally, an emergency command center was established in the administration building. White Haven Center also addressed the various types of safety issues through a state certified safety committee, which meets monthly.

Employee Travel

Commonwealth employees who are required to travel as part of their job responsibilities do so at the Commonwealth's expense, but must follow established policies³⁶ that detail allowable expenses and the procedures for obtaining reimbursement.

White Haven Center utilizes an online service known as the Employee Self-Service system to process travel expense reimbursements. Employees submit travel requests, plan trips, and request travel expense reimbursements electronically by creating a travel expense statement in the self-service system. As part of completing the travel expense statement, the traveler enters the region code that represents the city or county where the expense was incurred. The region code determines the maximum allowable rates for reimbursable expenses, such as subsistence and lodging. The travel expense statement is automatically transmitted to the employee's supervisor for approval. Travelers forward required receipts and other supporting documents, when applicable, to the Bureau of Commonwealth Payroll Operations via United States mail for review before collecting reimbursement.

³⁶ Commonwealth of Pennsylvania, Governor's Office, Management Directive 230.10, "Travel and Subsistence Allowances," effective December 18, 2006;
Commonwealth of Pennsylvania, Governor's Office, Management Directive 230.15, "Continental United States High Cost Subsistence Allowances," effective March 29, 2007.

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Finding 7 – White Haven Center management maintained adequate control over travel expenditures.

White Haven Center management maintained adequate control over employee travel expenditures. The self-service system automatically forwarded travel expense statements to each employee’s supervisor for approval. Staff utilized Commonwealth vehicles in lieu of receiving reimbursement for personal mileage, when feasible. All receipts for the expenditures we examined were available for review, which demonstrated that the Bureau of Commonwealth Payroll Operations staff reviewed receipts before granting reimbursement. Additionally, Office of Developmental Programs staff analyzed travel expenses on a monthly basis and when needed requested and received additional explanations from the White Haven Center assistant superintendent for administrative services.

Finding 8 – Travel expenditures were reimbursed according to applicable policies.

All examined employee travel expenditures incurred by White Haven Center employees were reimbursed according to applicable policies.

The travel expense statements reviewed included requests for reimbursement for lodging, subsistence, mileage and “other” reimbursable expenses. All receipts were reviewed, when applicable, and maximum allowable rates for lodging and subsistence were not exceeded.

Workorders

The maintenance department at the center consists of five trade shops, the garage, electrical, plumbing, carpentry, and paint shops. The maintenance department processes work orders through a computerized system known as “Mapper.”³⁷ The purpose of this system is to collect information of work orders, to project operating costs, determine the need for additional personnel, and to highlight problem areas.³⁸ Once a work order is received, it is reviewed by the maintenance clerk and sent to the respective shop. Once the order arrives at a shop, the task is evaluated, any materials needed to complete the task are noted, and a stock transfer order is sent to the warehouse to provide the needed items. The warehouse manager is then responsible for removing the stock from the inventory, updating the

³⁷Mapper is an abbreviation for Maintaining, Preparing, Producing Executive Reports.

³⁸ Commonwealth of Pennsylvania, Department of Public Welfare, “Controlled Maintenance and Work Order System Manual,” effective February 23, 1989.

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inventory system, and delivering the item. Upon completion of the task, the completion date and man-hours utilized are recorded into the system. The accounting department takes a physical inventory annually and reconciles the inventory in the warehouse with the automated inventory system monthly.

Finding 9 – White Haven Center had adequate controls over maintenance materials and maintenance work orders.

Maintenance supplies and materials were effectively controlled and work orders were approved and processed in a timely manner using an automated inventory control system. The maintenance department documented the submitted work orders properly. All work orders included a copy of the stock transfer order, which documented items pulled from the warehouse. A signed copy of the stock transfer order ensuring proper delivery was filed in the warehouse. The respective supervisor authorized all work orders that included labor hours utilized. The examination of work orders processed between July 1, 2006, and June 30, 2008, disclosed the maintenance department properly documented the labor hours and materials utilized.

The accounting office maintained an independent inventory record of all items in the warehouse. Accounting office employees conducted an annual physical inventory of the warehouse. In addition, both weekly spot-checks and monthly counts of 50 items in the warehouse ensured the accuracy of the inventory. A spot-check of warehouse items taken reconciled with the inventory reports generated through the automated system.

Bonuses

White Haven Center employs certified medical staff to support the needs of the residents. In order to attract and retain medical professionals the Commonwealth established criteria and procedures for implementing pay incentives. The Commonwealth established the physicians and related occupations quality assurance program to provide an incentive payment based on the number of full credited years of service. Payments are prorated for part-time employees and employees not in an active pay status for the full entitlement year. A part-time employee must work at least 50 percent of a full-time schedule to be eligible for a quality assurance program payment.

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The Commonwealth also established the physicians and related occupations specialty board certification payments for full-time employees certified by an appropriate specialty board approved by the Commonwealth. The payment can be prorated according to an employee's length of compensable status during the fiscal year. Employees in compensable status 10 or more days during a calendar month will be credited with service for that month.³⁹

Also, permanent employees belonging to the Service Employees International Union who attained one or more certifications in an appropriate specialization receive a certification payment in each contract year.⁴⁰

Finding 10 – White Haven Center inaccurately calculated pay incentives for two employees.

A physician's quality assurance payment was calculated incorrectly during 2008. As a result, he received \$1,400 instead of \$2,800. He went on extended sick leave, worked 6 months during 2008, and received ½ of the payment. However, according to calculations in Management Directive 535.2 the physician should have received a payment of \$2,800 for the six months of service. Management did not review and approve the calculations. This caused the error to go undetected.

In addition, a professional nurse on staff with a valid certification in psychiatric and mental health did not receive a certification payment of \$200 in 2006 as required by the contract. The human resources department underwent multiple retirements during this period and missed processing the payment.

The human resources department was made aware of the difference and agreed they used the incorrect calculation to determine the payment and immediately sent a correction memorandum to the Bureau of Commonwealth Payroll Operations.

Recommendation:

6. White Haven management should review and approve calculations for all incentive payments.

³⁹ Commonwealth of Pennsylvania, Governor's Office, Management Directive 525.16, "Physicians and Related Occupations Quality Assurance Program," effective February 14, 2006;
Commonwealth of Pennsylvania, Governor's Office, Management Directive 535.2, "Physicians and Related Occupations Specialty Board Certification Payments," effective February 21, 2006.

⁴⁰ Agreement between Commonwealth of Pennsylvania and The Service Employees International District 1199P, CTW, CLC, July 1, 2007, to June 30, 2011.

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Comments of White Haven Center Management:

At the pre-exit conference held on November 28, 2008, management stated that the facility is in the process of reconciling all of the pay incentive errors.

Individual Complaints and Incident Management

The center's policy and procedure manual addresses both individual complaints and incident management. When an individual and/or family member show concern over the type of treatment received at the center, they are afforded the right to file a complaint with the expectation they will receive a comprehensive and timely response.⁴¹ Incident management is required when an individual encounters an unexpected situation or event that adversely affects their health, safety, or welfare.⁴² In such an occurrence, the center is responsible for reporting incidents to ensure the health and safety, enhance the dignity, and protect the rights of individuals receiving services.⁴³ The Department of Public Welfare requires all incidents to be reported through a web-based system called the Home and Community Services Information System (HCSIS). Its purpose is to ensure that all incidents are reported and reviewed. Certain types of incidents require investigation by a Department of Public Welfare certified investigator. These incidents include abuse, neglect, rights violation, misuse of funds, death, hospitalization, emergency room visit, injuries requiring treatment beyond first aid, and individual-to-individual abuse.⁴⁴

In addition, the Commonwealth contracts with the Disability Rights Network of Pennsylvania to provide advocacy services to all individuals living in state operated mental retardation centers. The advocate services include reporting any incident involving alleged

⁴¹ Commonwealth of Pennsylvania, Department of Public Welfare, White Haven Center, Policy and Procedure Manual, Section 103-345, "Complaint Procedure for People Served," effective April 15, 2008; Commonwealth of Pennsylvania, Department of Public Welfare, White Haven Center, Policy and Procedure Manual, Section 103-405, "Definition and Responsibilities for Reporting Abuse and Neglect," effective May 15, 2003.

⁴² Commonwealth of Pennsylvania, Department of Public Welfare, White Haven Center, Policy and Procedure Manual, Section 109-010, "Incident Management," effective March 7, 2007.

⁴³ Commonwealth of Pennsylvania, Department of Public Welfare, Mental Retardation Bulletin, Nr. 6000-04-01, "Incident Management," effective February 28, 2004.

⁴⁴ Labor Relations Alternatives, Inc., "Pennsylvania Certified Investigator Manual," Part I, "The Organizational Context and Processes," Chapter 2, "The Incident Management Process," Fourth Edition, ©2004.

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or suspected abuse of client rights, neglect in treatment and care, physical injury of clients, or any other issue of concern.

Finding 11 – White Haven Center processed complaints and incidents according to policies and procedures.

The center complied with the Department of Public Welfare policies and procedures for individual complaints and incidents. Complaint forms, established with the assistance of the advocate, were filed by the unit manager, reviewed by the facility director, and addressed at the monthly risk management committee meeting. All complaints were resolved in a timely manner and results conveyed to the complainant.

White Haven Center developed specific procedures for incident management. Staff received orientation training to respond to, report, and prevent incidents. Incident reports were reported through the HSCIS data base system and reviewed by the Department of Public Welfare. Families were notified of all incidents and staff physicians were contacted to examine the individual. Actions taken to resolve the incident were completed within the required timeframe. Incidents requiring certified investigations were assigned to a certified investigator and a summary of the findings was entered into the automated incident report component of the HCSIS. The facility director (or his designee) was informed of all incidents occurring within the previous 24 hours. The monthly risk management committee meetings addressed both incidents as well as complaints. Each month data of facility-wide incidents was charted and compared to the previous four fiscal years.

The contracted advocate, a member of the risk management committee, was aware of all complaints and incidents that occurred. Additionally, White Haven Center compiled an annual investigation report, which kept track of patterns of abuse that occurred throughout the year.

Status of Prior Audit Findings and Recommendation

Status of Prior Audit Findings and Recommendation

The following is a summary of the finding and recommendation presented in our audit report for July 1, 2003, through March 31, 2006, along with a description of White Haven Center's disposition of the recommendations.

Prior Finding 6 – Contract monitoring could be improved.

Our prior audit reported that White Haven Center did not assign a contract monitor to accompany the vendor to verify monthly meter readings. We recommended that management assign a monitor to ensure these procedures were followed.

Status:

White Haven Center management did assign a monitor to be available to accompany the vendor's representative to read the meters of each machine where counters were available. However, management did not implement monitoring procedures over vending machines that did not have counters. This issue is discussed further in findings 3 and 4 within the contract section of this report.

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