

OFFICE OF ADDICTIVE DISORDERS  
DEPARTMENT OF HEALTH AND HOSPITALS



COMPLIANCE AUDIT  
ISSUED AUGUST 25, 2010

**LEGISLATIVE AUDITOR  
1600 NORTH THIRD STREET  
POST OFFICE BOX 94397  
BATON ROUGE, LOUISIANA 70804-9397**

**LEGISLATIVE AUDIT ADVISORY COUNCIL**

SENATOR EDWIN R. MURRAY, CHAIRMAN  
REPRESENTATIVE NOBLE E. ELLINGTON, VICE CHAIRMAN

SENATOR NICHOLAS “NICK” GAUTREAUX  
SENATOR WILLIE L. MOUNT  
SENATOR BEN W. NEVERS, SR.  
SENATOR JOHN R. SMITH  
REPRESENTATIVE CAMERON HENRY  
REPRESENTATIVE CHARLES E. “CHUCK” KLECKLEY  
REPRESENTATIVE ANTHONY V. LIGI, JR.  
REPRESENTATIVE CEDRIC RICHMOND

**LEGISLATIVE AUDITOR**  
DARYL G. PURPERA, CPA, CFE

**DIRECTOR OF COMPLIANCE AUDIT**  
DAN DAIGLE, CPA, CIA, CFE

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor.

This document is produced by the Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. Six copies of this public document were produced at an approximate cost of \$17.82. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31. This report is available on the Legislative Auditor’s Web site at [www.la.la.gov](http://www.la.la.gov). When contacting the office, you may refer to Agency ID No. 3518 or Report ID No. 50090028 for additional information.

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this document, or any documents of the Legislative Auditor, please contact Wayne “Skip” Irwin, Administration Manager, at 225-339-3800.



LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

August 25, 2010

Mr. Anthony Keck, Interim Secretary  
Department of Health and Hospitals  
628 N. 4th Street  
Post Office Box 629  
Baton Rouge, Louisiana 70821-0629

Dear Secretary Levine:

We have audited certain transactions of the Office of Addictive Disorders' (OAD), Louisiana Access to Recovery (ATR) program for the period January 1, 2008, through December 31, 2008. Our audit was conducted in accordance with Title 24 of the Louisiana Revised Statutes to determine the propriety of certain allegations regarding the ATR program.

Our audit consisted primarily of inquiries and the examination of selected financial records and other documentation. The scope of our audit was significantly less than that required of an audit by *Government Auditing Standards*; therefore, we are not offering an opinion on the agency's financial statements or system of internal control nor assurance as to compliance with laws and regulations. The concerns and results of our audit are listed below for your consideration.

The ATR program is a federally funded program designed to increase substance abuse treatment and recovery support services. ATR funds flow through the Department of Health and Hospitals (DHH) - Office of Addictive Disorders (OAD), which administers the program as well as monitors third party providers who actually provide services to OAD clients. The service providers are paid monthly through an online billing system that enables the service providers to bill a client's electronic voucher as well as track the client's progress through the program. The service providers are required to maintain employee service logs detailing the billable services provided by the employees as well as client sign-in sheets to support their billing to the ATR program. For our review, we examined the employee service logs and client sign-in sheets for two service providers, Free Indeed and Eternal Crisis Outreach, to determine if the documentation maintained by these providers supported amounts billed to the ATR program. The concerns and results of our audit are listed on the following pages for your consideration.

## **Employee Service Logs**

From January 1, 2008, to December 31, 2008, OAD billing records indicate that Free Indeed billed for services totaling \$587,552. During our review of Free Indeed's supporting documentation, we noted that Free Indeed failed to maintain employee service logs to support their ATR billings. Although Free Indeed maintains employee time sheets and calendars as support for their ATR billings, these documents are insufficient, as they do not provide specific information to support amounts billed to the ATR program such as the type of service performed; the name of the individual who performed the service; and the time and date the service was performed. As a result, we were unable to reconcile employee service logs to amounts billed to the program to ensure that services were provided. Free Indeed management was aware of the requirement to maintain service logs from the corrective action plans provided during previous monitoring visits performed by OAD staff. According to the Free Indeed's operations manager, service logs are now in place and the administration has hired a consultant to evaluate and implement corrective action plans provided by OAD staff.

From January 1, 2008, to December 31, 2008, Eternal Crisis Outreach (ECO) billed the ATR program for services totaling \$330,000. Although ECO regularly maintained employee service logs during this period, a reconciliation of service logs to ATR billings indicated that ECO received payments totaling \$51,350 for services that were not supported by service log entries. This amount included billed services totaling \$24,590 in which an employee service log could not be located and \$26,760 in which services were not recorded on the appropriate employee service log. Although some monthly employee sign-in sheets were available, they did not describe the services provided nor did they reconcile to the service logs or the amounts billed to the ATR program. For example, for one employee, ECO billed the ATR program for a total of eight days during January 2008. ECO could not provide employee service logs for this employee for January 2008 and the employee's monthly sign-in sheet indicates that he worked six of the days for which his services were billed but did not work on two of the days for which ECO billed for his services.

In addition to ECO's failure to maintain a complete set of employee service logs, the ECO employee service logs that were available were incomplete. Many of the logs reviewed were either not signed or did not include specific information such as the time and type of service provided. ECO management stated that these could only be errors because the services were provided if they were billed. Because ECO failed to maintain proper documentation, we could not determine if all services billed to the ATR program were performed.

## **Client Sign-in Sheets**

In addition to maintaining employee service logs, service providers are required to maintain client sign-in sheets for all services billed to the ATR program. We examined Free Indeed's client sign-in sheets for January 2008 and found that these sheets were completed and

maintained in a haphazard manner. Free Indeed did not use standard forms and in many cases, the client or the clinician did not sign the sheets. Some sheets appear to have been initialed by the client or the client was simply marked as present without actually signing in. Other sheets did not include the date or a description of the service provided. In addition, Free Indeed held Alcohol and Drug Free Social Activities (social activity) directly after other billable services and failed to require clients to sign in for the social activity. Free Indeed's management stated that it was difficult to get the clients' signatures at times and that it billed from the clinicians' notes at times.

According to ATR billing records, ECO billed the program for services totaling \$20,000 during January 2008. We examined ECO's client sign-in sheets for January 2008 and found that ECO did not have client signatures supporting 39% of its billed services. These missing signatures amount to \$8,060 in billed services. ECO's management stated that this could only be explained by errors or a client failing to sign-in. ECO's management stated that it maintained a facility sign-in sheet as well a service sign-in sheet and would bill from the facility sign-in sheet if the service sign-in sheet was missing signatures.

In addition to missing client signatures, pertinent information from several of the sheets appears to have been filled out by ECO staff. For example, on January 15, 2008, the sign-in sheet for outpatient services includes the signatures of clients, however; all entries for participant's name, time in, time out, and name of counselor appear to be in the same handwriting. Records provided by ECO included a separate sign-in sheet for outpatient services provided on January 15, 2008. The second sheet listed 20 clients, which included nine clients already listed on the first sign-in sheet. A comparison of these entries indicated that the information for some of these clients overlapped and differed between the two sheets. For example, one client appears on the first sheet as arriving at 5 p.m. and seeing a particular counselor while the second sheet indicates that the client arrived at 5:21 p.m. and listed a different counselor. Although there are two sign-in sheets, ECO only billed the ATR program for services listed on the sign-in sheet containing 31 clients.

Because of the manner in which these providers completed and maintained client sign-in sheets, we could not determine if all services billed to the ATR program were performed.

We recommend OAD perform the following:

1. Require the use of the standard forms to be completed and maintained by service providers to fully document and support amounts billed to the ATR program.
2. Provide additional training and/or guidance to service providers detailing the necessary and required documentation to be completed and maintained to fully document and support amounts billed to the ATR program.

Mr. Anthony Keck, Interim Secretary  
August 25, 2010  
Page 4

3. Train the program monitors to check the required documentation for completeness and accuracy to determine that the billed services are being provided and properly accounted for.
4. Require the service providers to annually certify that all amounts billed are provided and properly documented.
5. Attempt to recover funds paid for services not documented.

This correspondence represents our findings and recommendations as well as management's response. This correspondence is intended primarily for the information and use of management of the ATR program and its providers; however, this report is a public report distributed to public officials.

Sincerely,



Daryl G. Purpera, CPA, CFE  
Legislative Auditor

MC:DD:dl



**State of Louisiana**  
Department of Health and Hospitals  
Office of Behavioral Health  
Addictive Disorders Division

July 15, 2010

Daryl G. Purpera, CPA, CFE  
Legislative Auditor  
1600 North Third Street  
Baton Rouge, LA 70804

RE: DHH Responses to Report on OAD

Dear Mr. Purpera:

As per your request, please see attached responses to the draft of your compliance audit report on the Department of Health and Hospitals – Office for Addictive Disorders – Access to Recovery (ATR) program.

If any additional information is needed, please do not hesitate to contact my office.

Sincerely,

Rochelle Head-Dunham, M.D.  
OBH Medical Director

RHD:cg

Enclosure

### **OAD (OBH-AD) Responses to Recommendations from Legislative Auditor:**

1. OAD should require the use of the standard forms to be completed and maintained by service providers to fully document and support amounts billed to the ATR program.

#### **OAD Response:**

The ATR Provider Manual provided a standard form to be completed and maintained to fully document and support amounts billed to the ATR program, but the program's policies gave the providers the option to use the standard form or a similar form chosen by the provider as long as it contained all of the required elements. A revised ATR Provider Manual is currently being developed and will go into effect no later than September 1, 2010. The revised ATR Provider Manual will require that all providers use, complete, and maintain the standard forms provided by the ATR program to fully document and support amounts billed to the ATR program. Failure on the part of the providers to complete and maintain the standard forms to fully document and support any service(s) billed to the ATR program will result in disallowance of payment for services. Please see attached draft of the standard form that all providers will be required to use.

2. OAD should provide additional training and/or guidance to service providers detailing the necessary and required documentation to be completed and maintained to fully document and support amounts billed to the ATR program.

#### **OAD Response:**

When the ATR program was revamped in 2007, all ATR providers were required to attend a mandatory training to review all new and revised policies and procedures at that time. Since that time, the ATR monitors have continued to facilitate monthly provider meetings in their respective regions/districts to provide further training and technical assistance to providers. The ATR program monitors also conduct site visits to each provider at least once every one to three months, at which time they provide technical assistance and review the provider's records. These efforts, the monthly provider meetings and regular site visits, will continue to be used as tools to provide training and technical assistance to providers on the necessary and required documentation to be completed and maintained to fully document and support amounts billed to the ATR program.

A revised manual with the new requirements for providers will be distributed no later than September 1, 2010. During the months of August and September 2010, regional mandatory trainings will be held with ATR providers throughout the state to review revisions to the ATR policies and procedures, as well as remind providers of the ongoing requirements. These trainings will be conducted by the ATR monitors at a regional level.

3. The OAD should train the program monitors to check the required documentation for completeness and accuracy to determine the billed services are being provided and properly accounted for.

**OAD Response:**

Currently, OAD facilitates trainings/meetings with the program monitors multiple times during the year. Individual meetings are also conducted between ATR program monitors and ATR administrative staff to address any specific issues or concerns encountered by that monitor with providers in their respective regions/districts. OAD will continue to facilitate these customary meetings with the ATR program monitors to ensure that quality monitoring efforts are maintained and improved as necessary.

A training is scheduled with all ATR monitors on July 27, 2010 to review revisions to the ATR policies and provide additional training to the program monitors to check the required documentation for completeness and accuracy to determine that the services billed to ATR are being provided and properly accounted for. OAD Fiscal staff will also assist in facilitating this training with the ATR program monitors. The monitoring tool utilized by the ATR program monitors will also be reviewed with the ATR and fiscal staff and revised as necessary to ensure that sufficient information is reviewed to determine that services billed to ATR are being provided and properly accounted for.

The ATR program is also in the process of amending the current contract with the vendor for the ATR system to add more cross-checks and additional fields to the service tickets entered by providers in the system. These additional fields and cross-checks will help the program to ensure that ATR providers cannot overbill for services provided. Please see attached proposed amendment to the statement of work for the contract for the ATR system.

The contractor for the ATR system will begin to modify the system immediately to ensure that individual staff members within each provider agency are only able to bill for services approved in that individual's profile in the ATR system. This modification is expected to be completed within the next 30-60 days.

4. The OAD should require the service providers to annually certify that all amounts billed were provided and properly documented.

**OAD Response:**

OAD will implement a quarterly certification process with the ATR program, where service providers will be required to certify that all amounts billed to the ATR program were provided and properly documented. This new quarterly certification process will be implemented at the beginning of the next quarter, which will be October 1, 2010. Please see attached draft of the ATR service provider quarterly certification form.

5. OAD should attempt to recover funds paid for services not documented.

**OAD Response:**

Upon receipt of the final report, DHH Legal will lead efforts to attempt to recover funds paid for services not documented with the identified provider agencies.

**LEO J. BERGGREEN**  
**ATTORNEY AT LAW**  
6161 PERKINS RD., STE. 1B  
BATON ROUGE, LA 70808

Office No: 225.767.0496  
csimile No: 225.767.0497

Email: [leo.james@catel.net](mailto:leo.james@catel.net)

**VIA FACSIMILE**  
**(225) 339-3987**

August 4, 2010

Mr. Daryl G. Pupera, CPA, CFE  
Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9347

Dear Sir:

I represent Eternal Crisis Outreach, Inc. and the Executive Director of said organizations, Renetta Bell. This letter is in response to your letter of July 15, 2010.

The five (5) recommendations you make in your letter to my clients are all directed to OAD with regard to their ATR program.

Thus, I can't understand why my clients are subject to your recommendations. The modifications you suggest to OAD were never communicated to my client by OAD. My clients cannot implement a policy that they aren't aware of and should not be held accountable for any mistakes that were made above. Any attempt to recover funds shall be challenged to the full extent of the law. Procedural Due Process requires notice, opportunity to be heard, and a fair and impartial tribunal in regard to the parties and subject matter.

Thank you for this opportunity to respond to your recommendations.

Sincerely,



Leo J. Berggreen

LJB/jb

Set Free Indeed Ministry, Inc.  
Free Indeed Treatment Center

Mr. Daryl G. Purpera, CPA, CFE  
1600 North Third Street  
Baton Rouge, LA  
PO Box 94397  
Baton Rouge, LA 70804-9397

RE: Letter Dated 7/15/2010

Dear Mr. Purpera:

Please except this letter as an explanation to the above letter:

- 1) Randy Gomez is not Chief Executive Office of Free Indeed; he is acting agent and has been in contact with OAD.
- 2) We will notify and assist Tonja and Darren Myles in getting any information to Louisiana Legislative Audit and / or ATR or OAD needs. Free Indeed intends to comply in all OAD requirements.
- 3) Request audit and requirement and we will work toward gather required data by July 29, 2010

Thanking you in advance.

Randy Gomez  
Acting Agent

10473 Old Hammond Hwy  
Baton Rouge, LA 70816  
225.924.1910