

LBA Financial Audit Report Summary:

Department of Health and Human Services Bureau of Elderly and Adult Services - Financial and Compliance Audit Report For The Fiscal Year Ended June 30, 2007

Reporting Entity And Scope

The reporting entity of this audit and audit report is the Bureau of Elderly and Adult Services of the New Hampshire Department of Health and Human Services, Division of Community Based Care Services for the fiscal year ended June 30, 2007.

This report describes the financial activity of the Bureau of Elderly and Adult Services, as it existed during the period under audit. Unless otherwise indicated, reference to the Bureau, BEAS, or auditee refers to the Bureau of Elderly and Adult Services. Reference to the Division or DCBCS refers to the Division of Community Based Care Services and reference to the Department or DHHS refers to the New Hampshire Department of Health and Human Services.

Organization

In accordance with RSA 126-A:4, the Commissioner of the Department of Health and Human Services has the authority to “establish, reorganize, or abolish such divisions, offices, bureaus, or other components of the department as may from time to time be necessary to carry out the mission and duties of the department.” During fiscal year 2007, the Bureau of Elderly and Adult Services was established within the Department’s Division of Community Based Care Services.

The Bureau is organized into five operational units and one administratively attached organization.

1. Adult Protective Services and Field Operations Unit provides protection to incapacitated adults who are abused, neglected, or exploited and arranges for in-home support services to incapacitated adults to prevent abuse, neglect, or exploitation and to enable them to remain at home independently as long as possible.
2. Community Operations Unit manages the daily operations of the State-wide Home and Community Based Care for the Elderly and Chronically Ill program, including clinical eligibility and service authorization.
3. Community Services Policy and Program Development Unit develops and implements the ServiceLink Resource Centers, the N.H. State Plan on Aging, and the programs and services funded by the Administration on Aging and the Social Services Block Grants.
4. Medicaid Management Unit manages the Bureau’s portion of the Medicaid Program.

5. Bureau of Finance Unit provides oversight and management of Medicaid and social service financial management functions including rate setting and business system operations.

The Office of the Long Term Care Ombudsman is administratively attached to the Bureau and supports the rights of people who live in licensed nursing homes and residential care facilities.

Responsibilities

RSA 161-F:2 establishes the Department of Health and Human Services as responsible for the administration of RSA Chapter 161-F, Elderly and Adult Services. In addition, RSA 151-E outlines the Department’s involvement in the provision of long-term care services in the State.

The Bureau describes its mission as the “shared leadership within New Hampshire in developing and funding long term supports and advocating for elders, adults with disabilities, and their families and caregivers. The BEAS envisions a long-term system of support that:

- **Promotes and supports individual and family direction**
- **Provides supports to meet individual and family needs**
- **Provides high quality care and support**
- **Promotes efficiency.**

Funding

The financial activity of the Bureau is accounted for in the General Fund of the State of New Hampshire. A summary of the Bureau’s revenues and expenditures for the fiscal year ended June 30, 2007 is shown in the following schedule.

Summary Of Revenues And Expenditures For The Fiscal Year Ended June 30, 2007

	<u>General Fund</u>
Total Revenues	\$ 293,121,795
Total Expenditures	<u>386,686,727</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>(93,564,932)</u>
Other Financing Sources (Uses)	
Net General Fund	<u>93,564,932</u>
Total Other Financing Sources (Uses)	<u>93,564,932</u>
Excess (Deficiency) Of Revenues And Other Financing Sources Over (Under) Expenditures And Other Financing Uses	<u>\$ -0-</u>

The auditor's report on the Bureau of Elderly and Adult Services' financial statement was qualified, as the financial statement does not constitute a complete financial presentation of the Bureau.

The audit report includes the auditor's report on internal control over financial reporting and on compliance and other matters. The following is a list of the comments in the report.

<i>Internal</i>	<i>Control</i>	<i>Comments</i>
Significant Deficiencies		

- Form And Format Of State Plan Document Should Be Revised For More Efficient Use
- Nursing Facility Rate-Setting Process Should Be More Transparent
- The Bureau Should Update Policies And Procedures For Nursing Home Rate Setting
- System Of Quality Control Review Should Be Established For Each Significant Step In The Rate Setting Process
- Controls Over User Access To Rate Calculator Should Be Improved
- Controls Should Be Established For Making And Reporting Nursing Facility Rate Changes
- Definition Of Nursing Facility Should Be More Specific
- Nursing Facility Cost Report Should Be Signed By The Preparer
- Policies And Procedures Should Be Established For The Audits Of Nursing Facilities
- Field Audits Of Nursing Facilities Should Be Performed In Accordance With The State Plan And Administrative Rules
- Evidence Of Medical Eligibility Determination Should Be Retained
- Compliance With Financial Eligibility Controls Should Be Improved
- Provider Disclosures Should Be Requested And Considered
- The Bureau Must Participate In Controls Over NFQA Revenue
- Medicaid Payments Should Not Exceed Upper Payment Limit
- Support For Proshare Calculations Should Be Better Understood And Documented
- Controls Should Be Established To Limit HCBC Services To Plan Of Care
- Quality Control Should Be Implemented For Case Manager Activities
- Reporting Of HCBC-ECI Waiver Costs Should Be Expanded
- Policies And Procedures Should Be Established For Documenting HCBC Client Status
- Client Liability For Cost Of Care Should Be Collected
- Residential Care Provider Bills Should Be Reviewed For Client Contribution Credits
- Security Of Confidential Client Information Should Be Monitored
- Administrative Rules Should Be Kept Current
- County Billing Weaknesses Should Be Mitigated
- Policies And Procedures Should Be Established For Administering Title III And Title XX Programs
- Payments For Client Non-Specific Services Should Be Reviewed
- Cost Allocation Plan Should Be Established For Bureau Programs

Compliance Comment

- Penalties For Late Cost Reports Should Be Assessed In Accordance With State Plan