

**REPORT
ON THE
COMPREHENSIVE AUDIT**

**PLANNED PARENTHOOD: SHASTA - DIABLO
CONCORD, CALIFORNIA**

**MATERNAL, CHILD AND ADOLESCENT HEALTH
ADOLESCENT FAMILY LIFE PROGRAM
CONTRACT NO. 05-45114**

**FISCAL PERIOD:
JULY 1, 2008 THROUGH JUNE 30, 2009**

**Audits Section - Richmond
Financial Audits Branch
Audits and Investigations
Department of Health Services**

**Section Chief: Louise Wong
Audit Supervisor: Jesse Duran
Auditor: John Uribe**



TOBY DOUGLAS
DIRECTOR

State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
GOVERNOR

April 24, 2013

Mitzi Sales

Sr. Vice President for External Affairs
Planned Parenthood: Shasta - Diablo
2185 Pacheco Street
Concord, CA 94520

Dear Ms. Sales:

The claims for expenditures for services provided by Planned Parenthood: Shasta – Diablo, under the Maternal, Child and Adolescent Health (MCAH) Program, and the Adolescent Family Life Program (AFLP), Contract No. 05-45114, for the fiscal period of July 1, 2008 through June 30, 2009 have been reviewed by the Financial Audits Branch of the Department of Health Services.

Except as set forth in the following paragraph, our review was made in accordance with generally accepted government auditing standards as promulgated by the Comptroller General of the United States. Accordingly, our review included such tests of the accounting records and other review procedures, as we considered necessary under the circumstances.

The scope of our review was limited to specific contract or program requirements relating to financial compliance and did not include sufficient work to determine whether the financial statements present fairly the financial position and the results of the financial operations. We have not duplicated the work performed by the other auditors.

As noted in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial position referred above. Consequently, no financial statements are presented.

This Audit Report includes the:

1. Executive Summary of Findings
2. Contract Compliance
3. Fiscal Findings
4. Financial Schedules

Mitzi Sales

Page 2

The report concludes that \$2,776 is due the State and \$2,030 is due the Federal government, for a total of \$4,806. You will be receiving an invoice in that amount from the Department's Accounting Section.

If you disagree with the amount due, you may appeal by writing to Chief Administrative Appeals, Office of Legal Services, Department of Health Care Services, 1029 J Street, Suite 200, MS 0017, Sacramento, CA 95814. This written notice of disagreement must be received by the Department within sixty (60) calendar days from the day you receive this letter. A copy of this notice should be sent to the Assistant Chief Counsel, Appeals and Suspension Section, Office of Legal Services, Department of Health Services, 1501 Capitol Avenue, Suite 5001, MS 0010, P.O. Box 997413, Sacramento, CA 95899-7413. The procedures that govern this hearing are contained in Welfare and Institutions Code, Section 14171, and Title 22 California Code of Regulations, Sections 20204 and 51016, et seq. Excerpts of the statute and regulations are included for your information

If you should have any further question, please contact Toni Ballenger, Contract Manager, at (916) 650-3051.

Original Signed by

Louise Wong, Chief
Audits Section – Richmond
Financial Audits Branch

Certified

cc: Toni Ballenger
Contract Manager
California Department of Public Health
Maternal, Child and Adolescent Health Program
P.O. Box 997420, MS 8320
Sacramento, CA 95899-7420

TABLE OF CONTENTS

- I. EXECUTIVE SUMMARY OF FINDINGS
- II. INTRODUCTION
 - A. Description of Program
 - B. History
 - C. Description of Agency
 - D. Site Location
 - E. Funding Sources
 - F. Contract Goals and Objectives
- III. SCOPE OF REVIEW
- IV. CONTRACT COMPLIANCE
 - A. Adolescent Family Life Program Standards
 - B. Intake Protocols and Standards
 - C. Individual Service Plan
 - D. Comprehensive Baseline Assessment
 - E. Case Management – Home Visits
 - F. Case Management - Monthly Face-to-Face Visits
 - G. Duplicate Months-of-Service
 - H. Staffing and Personnel Changes
 - I. Individual Service Plan - Goals
 - J. Submission of Quarterly Reports
- V. FISCAL FINDINGS
 - A. Contract Budget
 - B. Expense Review
- VI. SYSTEMS AND PROCEDURES
- VII. SCHEDULES
 - 1. Summary of Audited Contract Expenditures
 - 2. Summary of Audited Contract Expenditures by Funding Source
 - 3. Months-of-Service (MOS) Deliverables
 - 4. Audit Adjustments
- VIII. CONTRACTOR RESPONSE TO ADJUSTMENTS / FINDINGS
- IX. STATE PROGRAM RESPONSE TO ADJUSTMENTS / FINDINGS

PLANNED PARENTHOOD: SHASTA-DIABLO
MATERNAL, CHILD AND ADOLESCENT HEALTH
ADOLESCENT FAMILY LIFE PROGRAM
CONTRACT NO. 05-45114
CONTRACT FUNDING PERIOD: JULY 1, 2005 THROUGH JUNE 30, 2012
REVIEW PERIOD: JULY 1, 2008 THROUGH JUNE 30, 2009

I. EXECUTIVE SUMMARY OF FINDINGS

The following information is a summary of our findings:

A. CONTRACT COMPLIANCE

1. Adolescent Family Life Program (AFLP) Policies require a face-to-face Intake interview within two weeks of telephone screening. We found four of 23 client Intakes were not completed within the two-week period. Eleven (11) client files did not contain any documentation as to when the telephone screening occurred. (Refer to Section IV.B)
2. The Agency's Protocols requires the completion of initial Individual Service Plan (ISP) within one month of the Intake, and the ISP must be updated quarterly. We found four of 23 initial ISPs (17%) were completed after one month. (Refer to Section IV.C)
3. AFLP Policies require a Comprehensive Baseline Assessment (CBA) for each AFLP client be completed within 30 days of the client's consent to participate. For seven of 23 (30%) clients, the CBAs were not completed on time. (Refer to Section IV.D)
4. The Agency's Protocols requires case managers to make a home visit within one month of Intake. For 12 of 23 clients, case managers did not perform home visits within the one-month requirement period. For three clients, no home visit was completed while the client was active in the AFLP program. (Refer to Section IV.E)
5. AFLP Policies require a quarterly home visits with each client. The case manager performed home visits for 32 of the 78 required home visits, a 41% compliance rate. (Refer to Section IV.E)
6. We reduced the AFLP Months-of-Service (MOS) count by 73 because the client files failed to document the face-to-face meetings. (Refer to Sections IV.F)
7. For three clients, the Agency recorded both an AFLP MOS and a Cal-Learn MOS during the same month. This occurred when the clients' service status changed from AFLP to Cal-Learn. As a result, an audit adjustment is proposed to reduce the MOS count by three. (Refer to Section IV.G)
8. Sufficient staffing is required under the AFLP contract. During the AFLP Case Manager's (CM) vacation period, we found only one chart entry recorded on client's contact summaries and no evidence of a face-to-face visit occurred during the vacation period. (Refer to Section IV.H)

PLANNED PARENTHOOD: SHASTA-DIABLO
MATERNAL, CHILD AND ADOLESCENT HEALTH
ADOLESCENT FAMILY LIFE PROGRAM
CONTRACT NO. 05-45114

CONTRACT FUNDING PERIOD: JULY 1, 2005 THROUGH JUNE 30, 2012
REVIEW PERIOD: JULY 1, 2008 THROUGH JUNE 30, 2009

9. We reviewed the AFLP client contact summaries after June 9, 2009 when the AFLP Case Manager (CM) left the position and was replaced by the Cal-Learn CM. Approximately 23 days passed before the CM called the AFLP clients by telephone, and there were only seven face-to-face visits in June. (Refer to Section IV.H)

B. FISCAL FINDINGS

1. The total budget for this contract during the review period was \$73,819 with the maximum payable from State and Federal resources being \$67,880. The Agency billed and was reimbursed \$67,880.
2. The Agency's reimbursement included \$55,341 for personnel cost (including benefits). However, the Agency's payroll information documented only \$50,535. As a result, an adjustment of \$4,806 to AFLP personnel expense is proposed. (Refer to Section V.B)
3. A recovery is proposed for a combined amount due the State and Federal government of \$4,806 for payments in excess of audited expenditures. (Refer to Section V.B).

PLANNED PARENTHOOD: SHASTA-DIABLO
MATERNAL, CHILD AND ADOLESCENT HEALTH
ADOLESCENT FAMILY LIFE PROGRAM
CONTRACT NO. 05-45114
CONTRACT FUNDING PERIOD: JULY 1, 2005 THROUGH JUNE 30, 2012
REVIEW PERIOD: JULY 1, 2008 THROUGH JUNE 30, 2009

II. INTRODUCTION

A. DESCRIPTION OF PROGRAM

The Maternal, Child and Adolescent Health (MCAH) Program, established on the state level in 1973, is funded by a Federal Title V Block Grant as well as by Federal Medicaid funds (Title XIX), state General Fund, and the state Cigarette and Tobacco Products Surtax Fund. The mission of the MCAH Branch is to assure that infants, children, adolescents, and pregnant women in California receive a variety of services to protect and improve their health. To accomplish its goals, the Branch maintains partnerships, contracts, and agreements with state federal and local agencies in both the public and private sectors.

B. HISTORY

The Adolescent Family Life Program (AFLP) is based on three successful management models developed in Los Angeles and San Francisco originally funded by grants from the Federal Office of Adolescent Pregnancy. The program was initially established as an administrative initiative in the Governor's Budget in 1985 with the understanding that the participation of the adolescent would be voluntary. In 1988, legislation provided permanent statutory authority for the program.

The goals of the Adolescent Family Life Program initially included:

- Improving health outcomes for infants
- Encouraging clients to stay in school or re-enroll in school
- Reducing the incidence of repeat pregnancy
- Monitoring levels of TANF and Medi-Cal utilization
- Providing continuous case management to clients to access needed services
- Involving the adolescent father in the program

The mission of the Adolescent Family Life Program is to:

- Use case management to enhance, through associations with families and community resources, the health, educational potential, economic opportunity, and self-sufficiency of adolescents during pregnancy and parenthood, and to promote healthy, family relationships.
- Develop nurturing relationships in which case managers and adolescents served by the program can work together to prevent pregnancy and ameliorate the untoward effects when pregnancy does occur.

PLANNED PARENTHOOD: SHASTA-DIABLO
MATERNAL, CHILD AND ADOLESCENT HEALTH
ADOLESCENT FAMILY LIFE PROGRAM
CONTRACT NO. 05-45114

CONTRACT FUNDING PERIOD: JULY 1, 2005 THROUGH JUNE 30, 2012
REVIEW PERIOD: JULY 1, 2008 THROUGH JUNE 30, 2009

- Promote the development of collaborative, integrated systems of care to support adolescents during pregnancy and parenthood, support their children, and aid these adolescents to make healthy life style choices.
- Respect the unique, culturally defined needs to our various client populations and communities.

C. DESCRIPTION OF AGENCY

Planned Parenthood: Shasta-Diablo (“PPSD”), a voluntary health and welfare organization, is affiliated with Planned Parenthood Federation of America, Incorporated. PPSD provides services in conjunction with family planning, birth control, pregnancy testing and counseling, HIV testing and counseling, prenatal examinations, community education and information, and other related medical services. These services are provided among thirteen clinic locations in Walnut Creek, Richmond Hilltop, Central Richmond, Antioch, San Ramon, Concord, Chico, Napa, Fairfield, Redding, Pittsburg, Vallejo, and Vacaville, California. In addition, PPSD dispenses contraceptive supplies at many smaller locations, or “express sites.”

D. SITE LOCATION

Planned Parenthood: Shasta-Diablo serves Napa County clients at the following two locations:

- Napa Health Center is located at 1735 Jefferson Street, Napa, CA 94559. The single tenant building, owned and operated by Planned Parenthood: Shasta-Diablo, is ADA compliant.
- The Napa Community Services and Education Offices are located at 1732 Jefferson Street, Suite 2, Napa, CA 94559. PPSD leases space in a multi-tenant office complex.

E. FUNDING SOURCES

Planned Parenthood: Shasta-Diablo receives funding from a number of sources, including funds from Federal, State, County, and City agencies. The financial statements for the six months ended June 30, 2009 reported total Revenue and Support of \$15,707,907.

F. CONTRACT GOALS AND OBJECTIVES

During the period of review, Planned Parenthood: Shasta-Diablo had three AFLP goals and California MCAH Title V Priorities as follows:

PLANNED PARENTHOOD: SHASTA-DIABLO
MATERNAL, CHILD AND ADOLESCENT HEALTH
ADOLESCENT FAMILY LIFE PROGRAM
CONTRACT NO. 05-45114

CONTRACT FUNDING PERIOD: JULY 1, 2005 THROUGH JUNE 30, 2012
REVIEW PERIOD: JULY 1, 2008 THROUGH JUNE 30, 2009

Goal No. 1 To define, coordinate, and integrate systems of care that support and assist pregnant and parenting adolescents and their children.

There are two measurable objectives of this goal:

1. AFLP Grantee will establish and/or actively participate in local collaborative designed to establish, sustain, and enhance comprehensive systems of care for children, adolescents, and their families.
2. In accordance with AFLP Standards, the AFLP Grantee will collaborate with a network of local service providers to assure that appropriate and necessary community services are available to clients.

Goal No. 2 To enhance the health, educational achievement, economic, personal and societal integration and independence of pregnant and parenting adolescents through case management.

There are four measurable objectives of this goal:

1. In accordance with AFLP Standards, AFLP Grantee will provide the month of service as specified under Performance Requirements to eligible adolescents and their children who are not enrolled in Cal-Learn.
2. AFLP Grantee will maintain and utilize an updated program Standards Implementation Document (SID) that incorporates the AFLP Standards and MCAH/OFP Branch AFLP Policies and Procedures.
3. AFLP Grantee will maintain sufficient staff to administer the program and provide case management services in accordance with AFLP Standards and MCAH/OFP Branch Policies and Procedures.
4. AFLP Grantee will maintain qualified staff to administer the program and provide case management services in accordance with AFLP Standards and MCAH/OFP Branch Policies and Procedures.

Goal No. 3 To promote implementation of the State MCAH 5-Year Plan and

PLANNED PARENTHOOD: SHASTA-DIABLO
MATERNAL, CHILD AND ADOLESCENT HEALTH
ADOLESCENT FAMILY LIFE PROGRAM
CONTRACT NO. 05-45114
CONTRACT FUNDING PERIOD: JULY 1, 2005 THROUGH JUNE 30, 2012
REVIEW PERIOD: JULY 1, 2008 THROUGH JUNE 30, 2009

attainment of its goals and objectives as specified in the California MCAH Priorities.

The one measureable objective of the goal is to promote primary and preventative health care utilization by pregnant and parenting adolescents and their children.

The California MCAH Title V Priorities are as follows:

1. Enhance preconception care and eliminate disparities in infant and maternal morbidity and mortality.
2. Promote healthy lifestyle practices among MCAH populations and reduce the rate of overweight children and adolescents.
3. Promote responsible sexual behavior to decrease the rate of teen pregnancy and sexually transmitted infections.
4. Improve mental health and decrease substance use among children, adolescents, and pregnant or parenting women.
5. Improve access to medical and dental services, including the reduction of disparities.
6. Decrease unintentional and intentional injuries and violence, including community, family, and intimate partner violence.
7. Increase breastfeeding initiation and duration.

PLANNED PARENTHOOD: SHASTA-DIABLO
MATERNAL, CHILD AND ADOLESCENT HEALTH
ADOLESCENT FAMILY LIFE PROGRAM
CONTRACT NO. 05-45114
CONTRACT FUNDING PERIOD: JULY 1, 2005 THROUGH JUNE 30, 2012
REVIEW PERIOD: JULY 1, 2008 THROUGH JUNE 30, 2009

III. SCOPE OF REVIEW

The Financial Audit Branch's review of Planned Parenthood: Shasta-Diablo was limited to the Maternal, Child and Adolescent Health (MCAH), Adolescent Family Life Program (AFLP). For the fiscal period from July 1, 2008 through June 30, 2009, our review consisted of the following:

1. A review of program compliance with the terms and conditions of the contract.
2. A review of the financial records to ensure the existence of proper documentation and propriety of claims submitted to the State for payment.

PLANNED PARENTHOOD: SHASTA-DIABLO
MATERNAL, CHILD AND ADOLESCENT HEALTH
ADOLESCENT FAMILY LIFE PROGRAM
CONTRACT NO. 05-45114
CONTRACT FUNDING PERIOD: JULY 1, 2005 THROUGH JUNE 30, 2012
REVIEW PERIOD: JULY 1, 2008 THROUGH JUNE 30, 2009

IV. CONTRACT COMPLIANCE

The examination included a review to determine if the Planned Parenthood: Shasta-Diablo (Agency) conducted the program in compliance with Adolescent Family Life Program (AFLP) terms and applicable regulatory requirements. The following is a summary of findings relating to this portion of the audit.

A. ADOLESCENT FAMILY LIFE PROGRAM STANDARDS

To evaluate the Agency's compliance with the Contract, we selected a judgmental sample of 23 client files, and we assessed/compared the Agency's compliance against the guidelines established in the following manuals:

- MCAH Fiscal Administration Policy and Procedure Manual (MCAH Manual, revised 6/1/2008),
- AFLP Policies and Procedures Manual (AFLP Policies), and
- Adolescent Family Life Program Standards (AFLP Standards).

We limited our review to the Intake Standards, Initial Client Assessment Standards, and Case Management Standards discussed in the manuals. These standards were incorporated into the Agency's Contract and Scope of Work (SOW).

AFLP Scope of Work (SOW) Contract Goal 2, Objective 1, Function 1.3, AFLP clients and their children will be assigned a primary case manager who will provide comprehensive case management services tailored to the clients' specific needs and priorities. Case Management includes but is not limited to:

- Intake,
- Completion of the Comprehensive Baseline Assessment (CBA) elements
- Development, implementation, monitoring, and revision of ISP
- Monthly client contact
- Quarterly client contact in the home

B. INTAKE PROTOCOLS AND STANDARDS

We reviewed the Agency's compliance with the Intake protocols. The Agency's protocols require AFLP referrals be scheduled for Intake within two weeks of a telephone screening. The Intake interview must be completed face-to-face with the Case Manager (CM). In addition, the AFLP Policies require the Agency to maintain client records documenting the services provided for a minimum of three years from the date of final payment under the agreement.

PLANNED PARENTHOOD: SHASTA-DIABLO
MATERNAL, CHILD AND ADOLESCENT HEALTH
ADOLESCENT FAMILY LIFE PROGRAM
CONTRACT NO. 05-45114
CONTRACT FUNDING PERIOD: JULY 1, 2005 THROUGH JUNE 30, 2012
REVIEW PERIOD: JULY 1, 2008 THROUGH JUNE 30, 2009

We reviewed the sample of 23 client files for compliance with Intake policies / procedures and assessed whether they were completed within the 2-week protocol period of a Telephone Screening. The documentation in the 23 client files revealed the following:

- Eight Intakes were completed on time within two weeks of the telephone screening.
- Four Intakes were completed late, over two weeks after the screening. They were completed between 17 and 39 days after the screening, of which one client intake was completed by telephone.
- Telephone screenings were not documented in 11 client files.

Recommendation:

Case management is effective only when critical client information is obtained and program information is supplied timely. To avoid future financial penalties and recovery, the Agency must develop control procedures to monitor and verify that Intakes are completed within 14 days of the telephone screening, and the information must be documented and maintained for three years.

C. INDIVIDUAL SERVICE PLAN

The AFLP Policies and Procedures Manual require an Individual Service Plan (ISP) for each AFLP client identifying the goals, objectives, services and interventions pertaining to the clients' health, nutrition and continued education.

SOW, Contract Goal 2, Objective 1.3 states, in part, *“Case management includes, but not limited to development, implementation, monitoring, and revision of the Individual Service Plan (ISP) with the client at least quarterly and as needed.”*

The Agency's Protocols require the ISP be developed within one month of the initial Intake and be updated quarterly. Our review of the 23 client files revealed:

- The Agency completed the initial ISP for 19 of the 23 clients within the one-month requirement of the Intake.
- Four (4) ISPs (17%) were developed late, after the one-month requirement. They were developed between 58 to 383 days after the Intake.

Additionally, we reviewed the 23 client files for subsequent quarterly monitoring with the

PLANNED PARENTHOOD: SHASTA-DIABLO
MATERNAL, CHILD AND ADOLESCENT HEALTH
ADOLESCENT FAMILY LIFE PROGRAM
CONTRACT NO. 05-45114
CONTRACT FUNDING PERIOD: JULY 1, 2005 THROUGH JUNE 30, 2012
REVIEW PERIOD: JULY 1, 2008 THROUGH JUNE 30, 2009

CM and revisions to the initial ISP. We determined that during this fiscal period the CM was required to hold, collectively, 78 client meetings. Our review identified the CM updated 65 of the required 78, a compliance rate of approximately 83%.

D. COMPREHENSIVE BASELINE ASSESSMENT

The development of the ISP is a critical component in the AFLP program. The ISP includes the completion of the Comprehensive Baseline Assessment (CBA) by the CM for each client. The CBA is an evaluation of the client's needs through an interview with the client. The elements of a CBA include, but are not limited to, an assessment of the clients' general health, nutrition, education/vocation, family planning, and life skills.

The AFLP Standards and AFLP Policies require the Agency to complete a CBA for each client within 30 days of the clients' consents to participate in the program. Our review of the 23 client files identified the following:

- CBAs were completed timely for 16 of 23 clients, within the 30-day requirement.
- Seven (7) CBAs (30%) were completed 33 to 224 days after the client agreed to participate in the program.

Recommendation:

The clients' success in the program is determined in part through the completion of timely CBAs that are individualized to the client's needs. The Agency must incorporate monthly control system that will monitor and identify the clients' assessment dates.

E. CASE MANAGEMENT - HOME VISITS

AFLP Standards, Section VI requires that the Agency to perform a home visit to assess the client's living environment. The SOW states in part, "*Case management includes but is not limited to... Quarterly client contact in the home.*" In addition, the Agency's Protocols requires the case manager to schedule an appointment to make an initial home visit within one month of the Intake.

We reviewed the sample of 23 client files to assess the Agency's compliance with the one-month policy, and we found the following:

- The Case Manager (CM) held eight home visits within the first month of the client participating in the program.

PLANNED PARENTHOOD: SHASTA-DIABLO
MATERNAL, CHILD AND ADOLESCENT HEALTH
ADOLESCENT FAMILY LIFE PROGRAM
CONTRACT NO. 05-45114

CONTRACT FUNDING PERIOD: JULY 1, 2005 THROUGH JUNE 30, 2012

REVIEW PERIOD: JULY 1, 2008 THROUGH JUNE 30, 2009

- Twelve home visits occurred after the one-month period, between 35 days to 2 years after the Intake.
- For three clients, no home visits were completed while the clients were active in the AFLP program.

In addition to the initial home visit, the SOW requires the Agency to perform “*Quarterly client contact in the home*”. We found that the CM did not routinely perform quarterly home visits with the AFLP clients. The CM was required to perform 78 *home visits* with these clients during this fiscal period. However, the clients’ files documented that the CM performed home visits for only 32 (41%) of the required home visits.

Recommendation:

Evaluating the clients’ home environment is essential in developing an effective client plan. To avoid future financial penalties and recovery, the Agency must establish a system to identify, monitor, and schedule when the clients are due for a home visit.

F. CASE MANAGEMENT – MONTHLY FACE-TO-FACE

The AFLP Policies require the Agency to provide monthly face-to-face contact with each client in accordance with the Agency’s policies and procedures. A face-to-face encounter is defined as an in-person AFLP related contact between service provider and client; Home Visits, Office Visits, Field Visits, and Group Meetings are face-to-face visits.

As compensation for providing AFLP services, the contract stipulates that the Agency may receive a maximum of \$73,819 for this fiscal period. In addition, the SOW requires the Agency to complete a minimum of 480 case management Months-of-Services (MOS).

Scope of Work (SOW), Paragraph 6, Subparagraph A, states, in part, “*AFLP agency will provide at a minimum 480 case management Months of Service (MOS) ... for the budget period of 07/01/08 through 06/30/09.*”

The Agency reported a total of 519 AFLP MOS in the quarterly reports. We evaluated the accuracy of the quarterly information by comparing the quarterly MOS data to the information contained in the 23 client files. Our review discovered the following:

- Collectively, the 23 clients qualified for 224 AFLP MOS, and the Agency reported those MOS for the clients.

PLANNED PARENTHOOD: SHASTA-DIABLO
MATERNAL, CHILD AND ADOLESCENT HEALTH
ADOLESCENT FAMILY LIFE PROGRAM
CONTRACT NO. 05-45114
CONTRACT FUNDING PERIOD: JULY 1, 2005 THROUGH JUNE 30, 2012
REVIEW PERIOD: JULY 1, 2008 THROUGH JUNE 30, 2009

- However, the documentation contained in the 23 client files supported only 151 MOS were performed not the 224 reported, a variance of 73 MOS.

As a result of this finding, a revision to the MOS count was proposed to reduce the count by 73 MOS from 519 to 446. Consequently, the Agency did not accomplish the minimum of 480 MOS as required in the SOW. The revision to the MOS is reflected in Schedule 3, Audit Adjustment No. 3.

The MCAH Policy Manual states that the Agency will only be reimbursed the maximum payable when the all objectives specified in the SOW are met. Where the Agency's documentation fails to support the services and/or expenses reported, the MCAH Program may recover the amounts as overpayment. *[MCAH Policy Manual, page 62 Maximum Payable Amount and page 63 Recovery of Overpayments]*

Recommendation:

To avoid future financial penalties and recovery, the clients' records must document all face-to-face meetings to qualify in the Months-of-Services (MOS) count.

G. DUPLICATE MONTHS OF SERVICE

The LodeStar system is used to collect client data reported by the Agency, and the Months-of-Services (MOS) information is entered into the system by the Agency. To assess the accuracy of the data, we selected the reporting period from April 2009 through June 2009 for verification. For that quarter, the Agency's documentation supported the 129 AFLP MOS reported.

However, we identified three duplicated MOS in the count. This occurred when the Agency changed the client's service status from AFLP to Cal-Learn, and the MOS counts were recorded as both an AFLP MOS and a Cal-Learn MOS for the same month for the same client.

Recommendation:

An audit adjustment will be proposed to reduce the AFLP MOS by three for the duplication. The revisions to the MOS are reflected in Schedule 3, Audit Adjustment No. 4.

H. STAFFING AND PERSONNEL CHANGES

Vacation Period: The Agency is required to maintain sufficient staffing to provide AFLP

PLANNED PARENTHOOD: SHASTA-DIABLO
MATERNAL, CHILD AND ADOLESCENT HEALTH
ADOLESCENT FAMILY LIFE PROGRAM
CONTRACT NO. 05-45114
CONTRACT FUNDING PERIOD: JULY 1, 2005 THROUGH JUNE 30, 2012
REVIEW PERIOD: JULY 1, 2008 THROUGH JUNE 30, 2009

services. We reviewed the AFLP staffing when the AFLP Case Manager (CM) was on vacation from December 22, 2008 through January 19, 2009. A temporary AFLP CM was not hired to serve AFLP clients. The clients were instructed to contact the Cal-Learn CM for any emergencies.

AFLP Scope of Work (SOW) Contract Goal 2, Objective 3, states, in part, "AFLP Agency will maintain sufficient staff to provide case management services in accordance with AFLP Standards and AFLP Policies and Procedures."

Our review of the 23 client files found only one entry recorded in the clients' contact summaries during this vacation period. There was no documentation in the clients' files to support that a face-to-face visit occurred. Additionally, our review of the contact summaries disclosed the following:

- There were 40 days that passed between the last contact entries made prior to December 22, 2008, and the entries recorded after January 19, 2009.
- There were 72 days that passed between the last face-to-face visits held prior to December 22, 2008 and the subsequent visits held after January 19, 2009.

Staff Changes: We reviewed the AFLP client contact summaries after June 9, 2009 when the AFLP CM left the position and was replaced by the Cal-Learn CM. The clients were informed of the change on May 27, 2009. We reviewed the AFLP contact summaries after the transition, and we found the following:

- Approximately 23 days had passed before the AFLP clients were contacted by telephone.
- During the month of June 2009, only seven face-to-face AFLP visits were performed.

Recommendation:

To avoid future financial penalties and recovery, the Agency should maintain sufficient staff to provide case management services as identified in the contract.

PLANNED PARENTHOOD: SHASTA-DIABLO
MATERNAL, CHILD AND ADOLESCENT HEALTH
ADOLESCENT FAMILY LIFE PROGRAM
CONTRACT NO. 05-45114
CONTRACT FUNDING PERIOD: JULY 1, 2005 THROUGH JUNE 30, 2012
REVIEW PERIOD: JULY 1, 2008 THROUGH JUNE 30, 2009

I. INDIVIDUAL SERVICE PLAN – GOALS

We reviewed the Case Manager's (CM) records in monitoring the client's specific goals and objectives identified in the individual service plan (ISP), as documented in the AFLP Contact Summaries. The summaries generally described the client's situation or crisis, the goals or objectives sought by the client, the actions taken by the CM and the client, and the outcome of their efforts.

CDPH requested an analysis of the activities performed by the CM and the clients. We reviewed the contact summaries for 23 client files, and we created a schedule summarizing the goals and participation between the CM and the clients.

J. SUBMISSION OF QUARTERLY REPORTS

The AFLP SOW required the Agency to submit the Quarterly Reports (Caseload Analysis Reports and Months-of-Service Reports) by the specific dates: October 31, 2008, January 31, 2009, April 30, 2009, and July 31, 2009. The Agency mailed all four quarterly reports to MCAH on August 12, 2009. The four quarterly reports were submitted 12 to 285 days after the due date.

Recommendation:

The Agency should submit the quarterly reports by the due dates.

PLANNED PARENTHOOD: SHASTA-DIABLO
MATERNAL, CHILD AND ADOLESCENT HEALTH
ADOLESCENT FAMILY LIFE PROGRAM
CONTRACT NO. 05-45114
CONTRACT FUNDING PERIOD: JULY 1, 2005 THROUGH JUNE 30, 2012
REVIEW PERIOD: JULY 1, 2008 THROUGH JUNE 30, 2009

V. FISCAL FINDINGS

The following is a discussion of the fiscal findings relating to the Audits and Investigations' (Audits) examination of Planned Parenthood: Shasta-Diablo (Agency) for the Fiscal Year Ended June 30, 2009.

A. CONTRACT BUDGET

The Total Funding for this contract during this review period was \$73,819. The Planned Parenthood: Shasta-Diablo submitted Budget Summary/Invoices totaling \$73,819.

The maximum payable from State and Federal resources was \$67,880. The Agency submitted payment requests for reimbursement to MCAH totaling \$67,880, and the MCAH program reimbursed the Agency \$67,880. The budget categories, amounts, and funding sources are shown in Schedules 1 and 2.

B. EXPENSE REVIEW

The Agency may be reimbursed for "actual costs incurred" subject to the limitations identified in the agreement. To be reimbursable, expenses are only allowable when they are reasonable in amount, properly reported, adequately documented, and related to the AFLP program. *[OMB Circular A-122, Sections 2.3 and 2.3.4; MCAH Policy Manual, page 63 – Recovery of Overpayments]*

We reviewed the Agency's audited financial statement, trial balance, payroll records, and supporting financial records. We compared the Agency's financial information to the Budget Summary/Invoices submitted to MCAH/ AFLP for reimbursement. Our review identified a variance of \$4,806 as follows:

1. The MCAH / AFLP reimbursed the Agency \$55,341 for personnel cost (including benefits).
2. The Agency's payroll report documented \$50,535 as expenses incurred, resulting in a variance of \$4,806.

Recommendation:

Expenses submitted for reimbursement must be properly documented and be related to the program. An audit adjustment of \$4,806 will be proposed to revise personnel cost and recover overpayments. See Schedules 1, 2, and 4.

PLANNED PARENTHOOD: SHASTA-DIABLO
MATERNAL, CHILD AND ADOLESCENT HEALTH
ADOLESCENT FAMILY LIFE PROGRAM
CONTRACT NO. 05-45114
CONTRACT FUNDING PERIOD: JULY 1, 2005 THROUGH JUNE 30, 2012
REVIEW PERIOD: JULY 1, 2008 THROUGH JUNE 30, 2009

VI. SYSTEMS AND PROCEDURES

Our study and evaluation of the Agency's system of internal control was limited to the extent we considered necessary to evaluate the Agency's capability to meet the requirements of the State contract. Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weakness under standards established by the American Institute of Certified Public Accountants. Therefore, we do not express an opinion on the Agency's internal control structure.

We have not made a study and evaluation of the Agency's system of internal control because it was reviewed by the independent CPA firm, Harrington Group LLP for the fiscal year ended June 30, 2009. Our conclusion on the Agency's fulfillment of its contractual obligations and the fair presentation of the program costs were based solely on our review of reported expenses, the review of contract terms, Agency's written policies and procedures, and inquiries with their personnel.

PLANNED PARENTHOOD: SHASTA-DIABLO
MATERNAL, CHILD AND ADOLESCENT HEALTH
ADOLESCENT FAMILY LIFE PROGRAM
CONTRACT NO. 05-45114
CONTRACT FUNDING PERIOD: JULY 1, 2005 THROUGH JUNE 30, 2012
REVIEW PERIOD: JULY 1, 2008 THROUGH JUNE 30, 2009

VII. SCHEDULES

Schedules of financial data have been included in this report to summarize the amounts claimed and paid under the contractual agreement.

| | |
|------------|--|
| Schedule 1 | Summary of Audited Contract Expenditures |
| Schedule 2 | Summary of Audited Contract Expenditures: By Funding Source |
| Schedule 3 | Months-of-Service (MOS) Deliverables |
| Schedule 4 | Audit Adjustments |

PLANNED PARENTHOOD: SHASTA-DIABLO
MATERNAL, CHILD AND ADOLESCENT HEALTH
ADOLESCENT FAMILY LIFE PROGRAM
CONTRACT NO. 05-45114
CONTRACT FUNDING PERIOD: JULY 1, 2005 THROUGH JUNE 30, 2012
REVIEW PERIOD: JULY 1, 2008 THROUGH JUNE 30, 2009

VIII. CONTRACTOR RESPONSE TO ADJUSTMENTS/FINDINGS

Subsequent to the exit conference, the contractor submitted a response to the findings discussed in this report. Revisions to the findings in this report have been made where appropriate and sufficient documentation was provided.

PLANNED PARENTHOOD: SHASTA-DIABLO
MATERNAL, CHILD AND ADOLESCENT HEALTH
ADOLESCENT FAMILY LIFE PROGRAM
CONTRACT NO. 05-45114
CONTRACT FUNDING PERIOD: JULY 1, 2005 THROUGH JUNE 30, 2012
REVIEW PERIOD: JULY 1, 2008 THROUGH JUNE 30, 2009

VIII. STATE PROGRAM RESPONSE TO ADJUSTMENTS/FINDINGS

A draft copy of this report was submitted to the MCAH / AFLP Division for their review prior to the report being finalized and released to the contractor.

This audit report and findings were discussed with both MCAH / AFLP Division and Planned Parenthood : Shasta – Diablo representatives . There were no revisions made to this audit report as a result of their review.

**PLANNED PARENTHOOD: SHASTA-DIABLO
MATERNAL, CHILD AND ADOLESCENT HEALTH BRANCH
ADOLESCENT FAMILY LIFE PROGRAM
CONTRACT NO. 05-45114
CONTRACT PERIOD: JULY 1, 2005 THROUGH JUNE 30, 2012
REVIEW PERIOD: JULY 1, 2008 THROUGH JUNE 30, 2009**

SUMMARY OF AUDITED CONTRACT EXPENDITURES

| Line No. | Budget Categories | Adjustment No. | Budget Amount | Over / (Under) Expended | Claimed Amount | Audit Adjustment | Audited Amount | Audited Amount Paid Title V | Audited Amount Paid State Fund | Audited Amount Paid County |
|----------|--------------------------------|----------------|------------------|-------------------------|------------------|-------------------|------------------|-----------------------------|--------------------------------|----------------------------|
| 1. | Personnel | 1 | \$ 61,280 | \$ - | \$ 61,280 | \$ (4,806) | \$ 56,474 | \$ 21,349 | \$ 29,186 | \$ 5,939 |
| 2. | Operating Expenses | | 8,000 | - | 8,000 | - | 8,000 | 4,684 | 3,316 | - |
| 3. | Indirect Costs | | 4,539 | - | 4,539 | - | 4,539 | 1,831 | 2,708 | - |
| | Total Expenditures | | <u>\$ 73,819</u> | <u>\$ 0</u> | <u>\$ 73,819</u> | <u>\$ (4,806)</u> | <u>\$ 69,013</u> | <u>\$ 27,864</u> | <u>\$ 35,210</u> | <u>\$ 5,939</u> |
| | Amount Paid | | | | | | | <u>29,894</u> | <u>37,986</u> | <u>5,939</u> |
| | MCAH/AFLP Overpayment/Recovery | 5 | | | | | | <u>\$ (2,030)</u> | <u>\$ (2,776)</u> | <u>\$ -</u> |

**PLANNED PARENTHOOD: SHASTA-DIABLO
MATERNAL, CHILD AND ADOLESCENT HEALTH BRANCH
ADOLESCENT FAMILY LIFE PROGRAM
CONTRACT NO. 05-45114
CONTRACT PERIOD: JULY 1, 2005 THROUGH JUNE 30, 2012
REVIEW PERIOD: JULY 1, 2008 THROUGH JUNE 30, 2009**

SUMMARY OF AUDITED CONTRACT EXPENDITURES BY FUNDING

| Line No. | Budget Categories | Adjustment No. | Budget Amount | Over / (Under) Expended | Claimed Amount | Audit Adjustment | Audited Amount | Audited Amount Paid Title V - Federal | Audited Amount Paid State | Audited Amount Paid County/Agency |
|-----------------------------------|-------------------|----------------|------------------|-------------------------|------------------|-------------------|------------------|---------------------------------------|---------------------------|-----------------------------------|
| <u>Title V - Federal</u> | | | | | | | | | | |
| 1. | Personnel | 2 | \$ 23,379 | \$ - | \$ 23,379 | \$ (2,030) | \$ 21,349 | \$ 21,349 | \$ - | \$ - |
| 2. | Operating Expense | | 4,684 | - | 4,684 | - | 4,684 | 4,684 | - | - |
| 3. | Indirect Costs | | <u>1,831</u> | <u>-</u> | <u>1,831</u> | <u>-</u> | <u>1,831</u> | <u>1,831</u> | <u>-</u> | <u>-</u> |
| | Sub-total | | \$ 29,894 | \$ - | \$ 29,894 | \$ (2,030) | \$ 27,864 | \$ 27,864 | \$ - | \$ - |
| <u>State Funds</u> | | | | | | | | | | |
| 1. | Personnel | 2 | \$ 31,962 | \$ - | \$ 31,962 | \$ (2,776) | \$ 29,186 | \$ - | \$ 29,186 | \$ - |
| 2. | Operating Expense | | 3,316 | - | 3,316 | - | 3,316 | - | 3,316 | - |
| 3. | Indirect Costs | | <u>2,708</u> | <u>-</u> | <u>2,708</u> | <u>-</u> | <u>2,708</u> | <u>-</u> | <u>2,708</u> | <u>-</u> |
| | Sub-total | | \$ 37,986 | \$ - | \$ 37,986 | \$ (2,776) | \$ 35,210 | \$ - | \$ 35,210 | \$ - |
| <u>County/Agency Funds</u> | | | | | | | | | | |
| 1. | Personnel | | \$ 5,939 | \$ - | \$ 5,939 | \$ - | \$ 5,939 | \$ - | \$ - | \$ 5,939 |
| 2. | Operating Expense | | - | - | - | - | - | - | - | - |
| 3. | Indirect Costs | | <u>-</u> | <u>-</u> | <u>-</u> | <u>0</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | Sub-total | | \$ 5,939 | \$ - | \$ 5,939 | \$ - | \$ 5,939 | \$ - | \$ - | \$ 5,939 |
| Total Audited Expenditures | | | <u>\$ 73,819</u> | <u>\$ -</u> | <u>\$ 73,819</u> | <u>\$ (4,806)</u> | <u>\$ 69,013</u> | <u>\$ 27,864</u> | <u>\$ 35,210</u> | <u>\$ 5,939</u> |

PLANNED PARENTHOOD: SHASTA-DIABLO
MATERNAL, CHILD AND ADOLESCENT HEALTH BRANCH
ADOLESCENT FAMILY LIFE PROGRAM
CONTRACT NO. 05-45114
CONTRACT PERIOD: JULY 1, 2005 THROUGH JUNE 30, 2012
REVIEW PERIOD: JULY 1, 2008 THROUGH JUNE 30, 2009

MONTHS-OF-SERVICE (MOS) DELIVERABLES

| Line No. | Performance Deliverables: | Adjustment Nos. | Contract/ Agreement | Reported MOS | Audit Adjustments | Adjusted MOS |
|----------|------------------------------|-----------------|---------------------|--------------|-------------------|--------------|
| | <u>Minimum Deliverables:</u> | | | | | |
| 1. | AFLP Months-of-Service (MOS) | 3, 4 | 480 | 519 | -76 | 443 |
| 2. | Compliance Percentage | | 100% | | | 92% |

SCHEDULE 4

State of California

Department of Health Services

| Contractor Name | | | | Fiscal Period | | Contract Number | | Adjustments | |
|---|--------------|------|------------------|------------------------------------|------------------------------|-----------------|---------------------|-------------|------|
| PLANNED PARENTHOOD: SHASTA - DIABLO | | | | JULY 1, 2008 THROUGH JUNE 30, 2009 | | 05-45114 | | 5 | |
| Report References | | | | Explanation of Audit Adjustments | | As Reported | Increase (Decrease) | As Adjusted | |
| Adj. No. | Audit Report | | Invoice or Claim | | | | | | |
| | Schedule | Line | Form # | | | | | | Line |
| <u>ADJUSTMENTS TO REPORTED COSTS</u> | | | | | | | | | |
| 1 | 1 | 1 | | I | Personnel | \$61,280 | (\$4,806) | \$56,474 | |
| <u>Expenditures by Funding Source</u> | | | | | | | | | |
| 2 | 2 | 1 | | I | Personnel - Title V, Federal | \$23,379 | (\$2,030) | \$21,349 | |
| | 2 | 1 | | I | Personnel - State | 31,962 | (2,776) | 29,186 | |
| <p>To adjust MCAH claimed personnel expenses to agree with contractor's payroll records and financial information. V. Fiscal Findings, Section B OMB Circular No. A-122, Sections 2.3, and 2.3.4 MCAH Fiscal Policy and Procedures Manual, Administration Payments</p> | | | | | | | | | |

SCHEDULE 4

State of California

Department of Health Services

| Contractor Name | | | | Fiscal Period | | Contract Number | | Adjustments | |
|--|--------------|------|------------------|---|--|-----------------|---------------------|-------------|------|
| PLANNED PARENTHOOD: SHASTA - DIABLO | | | | JULY 1, 2008 THROUGH JUNE 30, 2009 | | 05-45114 | | 5 | |
| Report References | | | | Explanation of Audit Adjustments | | As Reported | Increase (Decrease) | As Adjusted | |
| Adj. No. | Audit Report | | Invoice or Claim | | | | | | |
| | Schedule | Line | Form # | | | | | | Line |
| <u>ADJUSTMENTS TO REPORTED DELIVERABLES</u> | | | | | | | | | |
| 3 | 3 | 1 | N/A | AFLP Months-of-Service To revise the reported Months-of-Service count for those client contacts where the face-to-face meetings were not documented in the client's files. IV. Contract Compliance, Section F OMB Circular A-122, Section 2.3 MCAH Policy Manual, Maximum Payable, page 62 MCAH Policy Manual, Recovery of Overpayments, page 63 Scope of Work, Paragraph 6, Performance Requirements | | 519 | (73) | 446 * | |
| 4 | 3 | 1 | N/A | AFLP Months-of-Service To eliminate duplicated Months-of-Service entries where the MOS was included in both the AFLP MOS and the Cal-Learn MOS count. IV. Contract Compliance, Section G OMB Circular A-122, Section 2.3 | | * | 446 | (3) | 443 |

*Balance carried forward from prior/to subsequent adjustments

SCHEDULE 4

State of California

Department of Health Services

| Contractor Name | | | Fiscal Period | | Contract Number | | Adjustments | |
|-------------------------------------|--------------|------------------|------------------------------------|---|-----------------|-------------|---------------------|-------------|
| PLANNED PARENTHOOD: SHASTA - DIABLO | | | JULY 1, 2008 THROUGH JUNE 30, 2009 | | 05-45114 | | 5 | |
| Report References | | | Explanation of Audit Adjustments | | | As Reported | Increase (Decrease) | As Adjusted |
| Adj. No. | Audit Report | Invoice or Claim | | | | | | |
| Schedule | Line | Form # | Line | | | | | |
| <u>ADJUSTMENT TO OTHER MATTERS</u> | | | | | | | | |
| 5 | 1 | Not Reported | | MCAH/AFLP Overpayments -Title V, Federal | \$0 | \$2,030 | \$2,030 | |
| | 1 | Not Reported | | MCAH/AFLP Overpayments - State | 0 | 2,776 | 2,776 | |
| | | | | To recover overpayments as a result of audit adjustments 1 and 2. | | | | |
| | | | | V. Fiscal Findings, Section B | | | | |
| | | | | OMB Circular A-122, Sections 2.3 and 2.3.4 | | | | |
| | | | | MCAH Policy Manual, Recovery of Overpayments | | | | |