

PERFORMANCE AUDIT

Home and Community Based Services Waiver Program

Department of Public Health and Human Services

AUGUST 2010

10P-05

REPORT SUMMARY

The Home and Community Based Services Waiver Program is generally a less costly alternative to nursing facility care; however, its more than 2,200 elderly and physically disabled clients would be better served by effective waiting list management, increased oversight of contractors, heightened financial accountability, and other improvements.

Context

The Department of Public Health and Human Services (DPHHS) waiver program is designed to help elderly and physically disabled persons remain in their homes instead of being placed in a nursing facility. Individuals must meet Medicaid eligibility requirements and nursing home level of care standards to participate. The program operates under an agreement with the federal Centers for Medicare and Medicaid Services. DPHHS must comply with the agreement to remain eligible for nearly \$25 million annual federal Medicaid funds.

The program provided waiver services to nearly 2,300 persons during fiscal year 2009. The program is generally limited to the number of slots that DPHHS can fund based on legislative appropriations. The following table illustrates the number of clients and growth in the waiver program over the past four fiscal years.

Fiscal Year	Expansion Slots	Nursing Home Transition Slots	Total Slots	Total Clients Served
2006	45	15	1503	1938
2007	56	14	1573	2046
2008	79	44	1696	2205
2009	23	46	1765	2290

Source: Department of Public Health and Human Services.

Waiver expenditures cover a wide array of services such as case management, homemaker services, adult day health, respite care, nursing services, and environmental modifications. Total expenditures for fiscal years 2008 and 2009 were over

\$62 million. General Fund expenditures for the waiver program for that period were almost \$14 million, or approximately 22 percent of total program expenditures.

DPHHS contracts with a firm to perform eligibility screening to assess whether applicants require a nursing home level of care. The department also contracts with case management teams to manage and oversee services provided to waiver recipients. Case management teams are located throughout the state and are responsible for identifying services recipients need and ensuring those services are provided. The department is responsible for oversight of all contractors to ensure contract obligations are met, program policies are followed, and to verify recipients' service needs are provided.

Our overall objective was to evaluate the efficiency and effectiveness of the waiver program. To accomplish this, we reviewed case files, interviewed department personnel and members of case management teams, evaluated program controls, and examined financial records.

Results

Audit work found the waiver program is generally a less costly alternative to nursing facility placement. While the waiver program has policies and procedures for managing program operations, department personnel and contractors did not always comply with these. Audit work also identified issues with how DPHHS allocates and manages program resources and assures financial oversight of program expenditures.

Audit work identified three primary areas in which waiver program improvements can be made – client waiting list management, program and management controls, and financial accountability. Recommendations to DPHHS address the need to:

- Comply with administrative rules regarding eligibility of nursing home residents for waiver services.
- Improve allocation of waiver slots for eligible waiver applicants among case management teams.
- Ensure case management teams submit accurate waiting list information.
- Review case management team activities in accordance with federal agreements and department policy.

- Improve the client satisfaction survey process.
- Conduct oversight review of level of care needs assessments completed by a contractor.
- Improve the process for selecting clients for quality assurance reviews.
- Strengthen financial controls by requiring more detailed provider information on bills and undertaking steps to review claims submitted for payment.

Recommendation Concurrence	
Concur	8
Partially Concur	0
Do Not Concur	0

Source: Agency audit response included in final report.

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