



October 23, 2012

Ms. Chetachi Ecton, Executive Director
Casmir Care Services, Inc.
4950 Parkside Avenue
Philadelphia, Pennsylvania 19131

Dear Ms. Ecton:

I am enclosing for your review the final audit report of Casmir Care Services, Inc. as recently prepared by this office. Your response has been incorporated into the final report and labeled as an Appendix.

I would like to express my appreciation for all of the courtesy extended to my staff during the course of the fieldwork. I understand that you were especially helpful to Timothy Rausch in completing the audit process.

The final report will be forwarded to the Department's Office of Developmental Programs and Office of long-Term Living and to begin the Department's resolution process concerning the report's contents. The staff from ODP and OLTL will be in contact with you to follow-up on the actions taken to comply with the report's recommendations.

If you have any questions concerning this matter, please contact Mr. David Bryan, Audit Resolution Section, at 717-783-7217

Sincerely,

A handwritten signature in black ink that reads "Tina L Long". The signature is written in a cursive, flowing style.

Tina L. Long, CPA

Enclosure

c: Ms. Karen Deklinski
Mr. Kevin M. Friel
Ms. Bonnie Rose
Mr. Michael Hale
Ms. Sallee Rowe
Ms. Vicki Stillman-Toomey
Mr. Timothy O'Leary
Mr. John Cox
Mr. Grant Witmer
Ms. Patricia McCool
Ms. Deborah Donahue

bc: Mr. Alexander Matolyak
Mr. Daniel Higgins
Mr. David Bryan
Ms. Kenya Mann Faulkner
Ms. Shelly L. Lawrence
SEFO Audit File (S1110-Z99)

Some information has been redacted from this audit report. The redaction is indicated by magic marker highlight. If you want to request an unredacted copy of this audit report, you should submit a written Right to Know Law (RTKL) request to DPW's RTKL Office. The request should identify the audit report and ask for an unredacted copy. The RTKL Office will consider your request and respond in accordance with the RTKL (65 P.S. §§ 67.101 et seq.) The DPW RTKL Office can be contacted by email at: ra-dpwtkl@pa.gov.



October 23, 2012

The Honorable Gary Alexander
Secretary of Public Welfare
Health & Welfare Building, Room 333
Harrisburg, Pennsylvania 17120

Dear Secretary Alexander:

In response to requests from the Office of Developmental Programs (ODP) and the Office of Long Term Living (OLTL), the Bureau of Financial Operations (BFO) initiated an audit of Casmir Care Services, Inc. (Casmir). The audit was designed to investigate, analyze and make recommendations regarding the reimbursements from the Provider Reimbursement and Operations Management Information System (PROMISe) for client care. Our audit covered the period from July 1, 2010 to December 31, 2011 (Audit Period).

This report is currently in final form and therefore contains Casmir's views on the reported findings, conclusions and recommendations. Management's response to the draft report is included as an Appendix hereto. The report's contents were discussed at an exit conference held on October 16, 2012.

Casmir Care Services, Inc.'s Executive Summary

Casmir was incorporated on October 23, 2007 in Pennsylvania as a for profit corporation. Casmir operates two business offices in Philadelphia and provides services to consumers who are enrolled by ODP and OLTL. Casmir works with developmental disability organizations in Philadelphia and Bucks Counties to provide in-home services to consumers and families with special needs as well as to provide residential care in community homes pursuant to 55 Pa. Code Chapter 6400.

Casmir assists consumers to acquire and maintain the highest possible level of independent living by providing habilitation, personal assistance, companionship, light housekeeping, nursing and other services such as respite.

The report findings and recommendations for corrective action are summarized below:

FINDINGS	SUMMARY
Finding No. 1 – An Analysis of Casmir's PROMISe Reimbursements Revealed That a Significant Number of Items Tested Were Unsubstantiated.	Two random samples were tested for adequacy of documentation. The results were that 8.03% of ODP claims and 8.59% of OLTL claims tested did not have adequate supporting documentation. Extrapolating this variance over the entire population of reimbursed claims results in a disallowance of \$611,941.

HIGHLIGHTS OF RECOMMENDATIONS

ODP should :

- Monitor Casmir to assure that adequate documentation exists for each PROMISe reimbursement.
- Recover \$573,816 from Casmir due to inadequately documented claims.

OLTL should :

- Monitor Casmir to assure that adequate documentation exists for each PROMISe reimbursement.
- Recover \$38,125 from Casmir due to inadequately documented claims.

Casmir should:

- Not claim reimbursement for inadequately documented claims and retain adequate original documentation for each claim submitted to PROMISe.

Background

Casmir Care Services, Inc. was incorporated on October 23, 2007 as a Pennsylvania for-profit corporation. Its registered address and its operational offices are in Philadelphia PA. Casmir provides services to consumers who are enrolled by ODP and OLTL. Casmir works with Philadelphia and Bucks County developmental disability organizations to provide in-home habilitation services to consumers and families with special needs. Casmir assists consumers to acquire and maintain the highest possible level of independent living by providing habilitation, companionship, light housekeeping, transportation and respite services in consumers' homes.

Objective/Scope/Methodology

The audit objective, developed in concurrence with ODP and OLTL was:

- To determine if Casmir has adequate documentation to substantiate its billings to PROMISe for habilitation and other related services.

The criteria used to ascertain the adequacy of substantiation was 55 Pa. Code Section 1101.51, ODP Bulletin #00-07-01 dated April 26, 2007 and pertinent Federal Waiver requirements.

In pursuing this objective, the BFO interviewed ODP and OLTL personnel and Casmir's management. We also reviewed books, records, third party invoices, bills, receipts and other pertinent data necessary to pursue the audit objective, such as PROMISe reimbursement data and electronic records available in the Home and Community Services Information System (HCSIS).

Government auditing standards require that we obtain an understanding of management controls that are relevant to the audit objective described above. The applicable controls were examined to the extent necessary to provide reasonable assurance of the effectiveness of these controls. Based on our understanding of the controls, material deficiencies in record retention came to our attention. Areas where we noted an opportunity for improvement in management controls are addressed in the findings and observations of this report.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

The BFO's fieldwork was conducted from March 21, 2012 to June 1, 2012 and was performed in accordance with GAGAS. This report will be available for public inspection.

Results of Fieldwork

Finding No. 1 – An Examination of Casmir's PROMISe Reimbursements Revealed That a Significant Number of Items Tested Were Unsubstantiated.

Two statistically valid random samples (one for ODP claims and one for OLTL claims) were selected from the total of 14,735 claims reimbursed through PROMISe during the audit period. Those claims totaled \$7,589,742. The BFO analyzed the supporting documentation for the sampled claims. This included time sheets, progress notes (if available) and other documentation to support the services provided. The number of units authorized in the Individual Service Plan (ISP) was compared to the units billed. BFO also verified that the units billed did not exceed the number of units authorized.

During the audit period, a total of 13,379 claims were submitted to ODP for a total reimbursement of \$7,145,905 and a total of 1,356 claims were submitted to OLTL for a total reimbursement of \$443,837.

Both samples had exceptions that resulted in both overbillings and under-billings. However, the overbillings were significantly greater than the under-billings principally as a result of a complete lack of documentation for several claims in the sample. Casmir's management advised that a company site move, significant staff turnover and staff inefficiency has led to the misfiling or loss of important documentation. The lack of documentation to support claims is a material deficiency in internal controls.

Billings were disallowed in their entirety if there was no supporting documentation. Other exceptions related to a portion of the units billed; for example, if a care giver's time sheet was two hours short in a forty hour work week, only two hours of the service billing would be disallowed.

The ODP sample had an 8.03% exception rate which results in a \$573,816 disallowance when projected over the population of ODP claims. The OLTL sample had an 8.59% exception rate which results in a \$38,125 disallowance when projected over the population of OLTL claims.

Recommendations

The BFO recommends that ODP recover \$573,816 and OLTL recover \$38,125 due to a lack of adequate documentation to support certain claims.

The BFO also recommends that ODP and OLTL monitor Casmir to assure that adequate documentation exists for each PROMISe reimbursement.

Finally, the BFO recommends that Casmir not claim reimbursement for inadequately documented claims and retain adequate original documentation for all claims.

Exit Conference / Auditors' Commentary

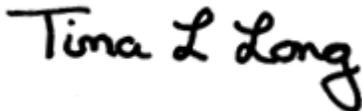
On October 16, 2012, an audit exit conference was held at Casmir's administrative offices. At the exit conference Casmir's management discussed their corrective action plan. Management also presented its audited financial statements for the fiscal year ended June 30, 2011. The BFO looked at the audited financial statements and determined that they satisfied the requirements of 45 CFR 74.26. As such, the finding pertaining to the financial statements requirement was removed. No other changes were made to the report.

In accordance with our established procedures, an audit response matrix will be provided to the ODP and the OLTL. The ODP and the OLTL are responsible for completing the matrix within 60 days and email the Excel file to the DPW Audit Resolution Section at:

RA-pwauditresolution@pa.gov

The response to each recommendation should indicate the program office's concurrence or non-concurrence, the corrective action to be taken, the staff from the program office responsible for the corrective action, the expected date that the corrective action will be completed, and any related comments.

Sincerely,



Tina L. Long, CPA
Director

- c: Ms. Karen Deklinski
- Ms. Kevin M. Friel
- Ms. Bonnie Rose
- Mr. Michael Hale
- Mr. Grant Witmer
- Ms. Sallee Rowe
- Ms. Vicki Stillman-Toomey
- Mr. Timothy O'Leary
- Mr. John Cox
- Ms. Deborah Donahue
- Ms. Patricia McCool

bc: Mr. Alexander Matolyak
Mr. Daniel Higgins
Mr. David Bryan
Ms. Kenya Mann Faulkner
Ms. Shelley Lawrence
SEFO Audit File (S1110-Z99)

**CASMIR CARE SERVICES, INC.
RESPONSE TO THE DRAFT REPORT**

APPENDIX



CASMIR CARE SERVICE INC.

Philadelphia, PA 19131

Website: www.casmircare.com E-mail: [REDACTED]

October 03, 2012

Daniel Higgins
Audit Manager
Bureau of Financial Operations
Department of Public Welfare
Philadelphia, PA 19107-3126.

Dear Mr. Higgins,

RE: DIVISION OF AUDIT AND REVIEW PERFORMANCE AUDIT REPORT

Casmir Care Services has received the draft performance review of the company as prepared by your Division of Audit and Review. We would want to take this opportunity to once again, thank your division for this review which has served as an impetus to improve on our processes and controls, most especially in the area of substantiation of claims.

Having reviewed your findings and recommendations, we would want to respond thus:

Finding No. 1 – An Examination of Casmir’s PROMISE Reimbursements Revealed That a Significant Number of Items Were Unsubstantiated

We accept this finding which is about lack of documentation for some services provided within the audit period. Even though each and every one of these services were provided, we failed to provide sufficient documentation for them, which we have attributed to our site move, significant staff turnover and staff inefficiency. We still have the families and staff to testify to the provision of the services.

As a corrective action for this finding, we have instituted the following:

- Dual record service documentation system. Service documentation is now saved electronically as well as manually.
- Efficient billing system which mirrors services provided and progress notes. This also involves a periodic internal audit to ensure accuracy.

- Continuous staff in-servicing in the areas of proper and adequate recording of service information.
- Creation and use of new service documentations which shows adequacy of necessary information.

A testimony to the improvement in our processes is the recent audit conducted on July 26th 2012 by the office of long term living (OLTL) for services provided between January 1st to June 30th 2012, for which the company recorded no exception. We shall continue to make improvements to our processes and protocols to ensure that adequate documentation exists for each service provided and for every PROMISE reimbursement.

Finding No. 2 – Casmir Did Not Have An Audit Report Available As Required By Federal Regulations

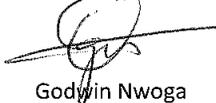
We do not accept this finding as Casmir is fully compliant with the audit requirements of 45 CFR 74.26. As a for profit company, Casmir undergoes a financial audit which is in accordance with Generally Accepted Government Auditing Standards (GAGAS) annually, and we have continued to be compliant since the inception of the company.

It is pertinent to state that we employ the services of certified public accountants (CPAs) to meet the requirements contained in 45 CFR 74.26. Casmir's financial audit reports are usually submitted on time and are readily available on request.

We hereby elect for an exit conference to be held, and we would like to have/review your final statement of exceptions from claims in the sample for the audit period.

Thank you for your kind considerations.

Sincerely,



Godwin Nwoga
Director, Operations