

Paul R. LePage, Governor

Mary C. Mayhew, Commissioner

Department of Health and Human Services  
Financial Services - Audit  
# 11 State House Station  
Augusta, Maine 04333-0011  
Tel: (207) 287-2403; Fax: (207) 287-2601  
TTY Users: Dial 711 (Maine Relay)  
Fraud Hotline: (866) 348-1129

## Final Informal Review Decision

May 8, 2014

Johnna Bowen, Executive Director  
JMPB, Inc. d/b/a Assistance Plus  
P.O. Box 358  
Fairfield, ME 04937

Re: **Section 24 Children's In Home Support (2007) dated December 30, 2013**  
**Section 24 Adult In Home Support (2007) dated December 30, 2013**  
**Section 24 Children's In Home Support (2008) dated December 30, 2013**  
**Section 24 Adult In Home Support (2008) dated December 31, 2013**  
**Section 24 Children's In Home Support (2009) dated December 30, 2013**  
**Section 24 Children's In Home Support (2010) dated December 30, 2013**

Dear Ms. Bowen:

Your facility requested an informal review of the audit reports for the **Assistance Plus Day Habilitation Programs** dated December 30, 2013 and December 31, 2013 for the fiscal periods from January 1, 2007 through December 31, 2007, January 1, 2008 through December 31, 2008, January 1, 2009 through December 31, 2009 and January 1, 2010 through March 31, 2010 which resulted in an overpayment of \$44,824 for the 2007 Children's Program, \$7,182 for the 2007 Adult Program, \$102,895 for the 2008 Children's Program, \$3,550 for the 2008 Adult Program, \$121,672 for the 2009 Children's Program and \$16,684 for the 2010 Children's Program. Your appeal request is based upon a letter dated February 26, 2014 from Lucus A. Ritchie.

As a result of this request, we have prepared an informal review. Our **Final Informal Review Decision** is as follows:

### 1. Allocation of Section 24 wages and other payroll expenses.

- a. You disagree with the Department's allocation of Field Staff and Supervisors Wages. You state that, "the Department failed to use actual costs to determine Section 24 field staff and supervisor wages and other payroll expenses, despite the fact that supporting auditable documentation exists, and was provided to the Department."

You reference Chapter III, Section 24 which directs providers to Chapter III, Section 50. You refer to Principle 6010 in your appeal request. Chapter III, Section 24, Principle 5030 directs providers to Chapter III, Section 50, Principles 1000 – 4000 therefore Principle 6010 would not apply to Section 24.

The departments review of the documentation provided shows that there are substantially more hours posted to the Section 24 payroll system than is supported by the Time Tracks (Mas 90) documentation for the same period. Per work paper 07-4, submitted with the appeal, one example is Dean Bittner who has a total of 231 hours per the 2007 Time

Tracks report. At Dean's hourly wage of \$15.92, per the 2007 payroll Perpetual History report, the total wage expense would be \$3,677.52 yet \$33,240.96 was posted to Section 24 per WP07-4 that was submitted with the appeal.

Also a large number of the Mental Health Time Sheets could not be located and the codes used on the time sheets that were provided indicate that many of these expenses should be allocated to Case Management, Long Term Care and Section 65, therefore no revision is necessary.

- b. You disagree with the departments allocation methodology based on total agency revenue instead of basing it on revenue for the Agency's behavioral health programs only.

A review of the Time Tracks report (Mas 90) and the Perpetual History report for the same period shows that there are Hab I and Hab II wages, travel and training that are posted to Section 24 but the Time Tracks detail is posted to Long Term Care. Because of this comingling of expenses, the department is correct in using total revenue for allocation per Section 24, Principle 8030, therefore no revision is necessary.

## **2. Allocation Methodology was based on Outdated Figures that overstate Total Agency Revenue.**

You disagree with the revenue figures used by the Department for allocation. You state that only Section 24 Revenue was updated

The department updated the Section 24 revenue to the amount paid by MeCMS. The Department will review the revenue used for allocation for the other programs and adjust to the amount paid by MeCMS if applicable. Any revisions will be done under separate cover.

## **3. The Department Disallowed Reasonable Officer's Compensation for Johnna Bowen for Years 2009 and 2010.**

You state that the Department disallowed reasonable Officer's Compensation for Johnna Bowen for years 2009 and 2010.

The Department based the allowable compensation for Johnna Bowen for 2009 and 2010 on the ICF/MR Inflation factor for compensation using Johnna Bowen's 2008 wages as the base. The reasonableness for Johnna Bowen's 2009 and 2010 wages is based on a comparison of the wages paid to the Executive Directors of four other agencies of similar size providing similar services. Johnna Bowen's 2009 and 2010 audited allowable wages are substantially higher than the wages paid to the Executive Directors of the other agencies. Per Section 50, Principle 1010, costs must be reasonable, necessary and related to patient care, therefore no revision is necessary.

## **4. Adjustments to 2007 Administrative Payroll Expenses**

You state that there were errors, discovered by Assistance Plus, in the figures originally submitted on the 2007 cost report, resulting in a decrease of expenses for administrative payroll taxes, employee benefits and workers' compensation totaling \$29,924.

The Department would like to thank you for bringing this to our attention, however our allocation of expenses based on total revenue will compensate for the errors.

**5. Additional Requests for Review and Clarification of Prior Submissions.**

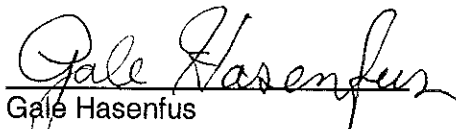
You state that Assistance Plus has been unable to reconcile the Department's Service Provider Tax calculations for years 2007 through 2010. For the years 2007 through 2009, the Department used Assistance Plus' Service Provider Tax Reports which reconciled to the amount submitted by Assistance Plus on the cost reports. The Department did not make any adjustments to the Service Provider Tax expense for those years. For the 2010 audit report, the department reduced the Service Provider Tax expense by \$501. This adjustment was based on the Service Provider Tax Reports for January, February and March of 2010, therefore no revision is necessary.


You state that Assistance Plus has been unable to reconcile the Department's budgeted program ceiling calculations for Adult Services 2007 and 2008 with its records. Schedule C, line 2 of the audit report says to use the lesser of the calculated ceiling based on the budget compared to the actual units of service billed. The 2007 ceiling was based on the budgeted units of service (2,211) taken from Assistance Plus' 2007 Budget Form 6. The 2008 ceiling was based on the actual units of service billed which totaled 1,618. The Department's calculation for the budgeted program ceiling for 2007 and 2008 was correct, therefore no revision is necessary.

This final informal review decision was based upon a consultation with the auditor of record, a review of her audit report and the related work papers, and your subsequent communications to us.

Please refer to the attached Notice of Appeal Rights of MaineCare Providers for an explanation of your facility's further appeal options.

Sincerely,

  
Gale Hasenfus  
Auditor of Record

  
Herbert F. Downs, Director  
Division of Audit

Enclosures:  
Notice of Appeal Rights of MaineCare Providers

**DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF AUDIT – MAINECARE AND SOCIAL SERVICES**

**NOTICE OF APPEAL RIGHTS OF MAINECARE PROVIDERS**

**1. Informal Review:**

If you disagree with any portion of the audit report, you must request an informal review by the Director of the Division of Audit, or his designee, by notifying the Division of Audit, 11 State House Station, Augusta, Maine 04333-0011, in writing **within 60 days of receipt of the audit report** of the issues that are in dispute. You must also provide any and all information that you intend to rely upon in disputing each issue. Failure to give timely notice or to include the information relied upon shall constitute a waiver of your facility's right to an informal review and to any subsequent administrative appeals. See the following chart for a reference to the Department's regulation that provides further explanation of your facility's appeal rights and the information you must present in your response:

<u>Type of Facility</u>	<u>Effective Date</u>	<u>Appeal Regulation Citation</u>
ICF/MR	8-1-03	Principle #8010 (MCBM, Chapter III, section 50)
	9-1-07	Principle #8010 (MCBM, Chapter III, section 50)
	7-1-08	Principle #8010 (MCBM, Chapter III, section 50)
Developmental Training	12-1-05	Principle #11000 (MMAM, Chapter III, section 24)

(Note: MMAM = Maine Medical Assistance Manual, MCBM = MaineCare Benefits Manual)

**2. Administrative Hearing:**

If you disagree with the decision made after an informal review, you must request an administrative hearing by the Commissioner of the Department of Health and Human Services, or his designee, by notifying the Commissioner's office, in writing **within 60 days of receipt of the informal review decision** of the issues that are in dispute. Only those issues presented for informal review will be considered at the administrative hearing. See MaineCare Benefits Manual, Chapter, I, Section 1.21; also see the Administrative Hearing Regulations.

**3. Petition for Judicial Review:**

If you disagree with the Commissioner's final decision made after an administrative hearing, you may petition the Superior Court for judicial review of final agency action. See 5 M.R.S.A §§ 11001-11007.