



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 (800) 606-0215

Appeal Decision

March 31, 2014

John McAnuff, Chief Financial Officer
Spurwink Services, Inc.
899 Riverside Street
Portland, Maine 04103

Re: Spurwink Services, Inc. FY 2007- 2011

Dear Mr. McAnuff:

We are in receipt of your letter dated July 30, 2013 in which you appeal the Department Report of Spurwink Services, Inc. for the fiscal years ended June 30, 2007 – 2011 dated May 31, 2013.

Your agency is appealing the balances due to the Department for agreements CFS-09-8605 and CFS-10-8605, in the amounts of \$101,781 and \$74,615 respectively. The other balances and findings contained in the Examination Report are not in dispute.

1. Agency Position:

You state that you don't think that the contracts were subject to cost settlement, other than Flex Funds, therefore no repayments are due to the Department.

Division of Audit Position:

We disagree with your position. Rider A, Page 1 of both agreements states that the Agreement Close-out Report is a financial settlement that reconciles total Department agreement payments issued to the provider to the total amount of Department agreement funds earned by the provider. If a balance is due the provider, the Agreement Administrator will authorize the payment after approval of this report. **If a balance is due to DHHS, please send the check made out to Treasurer, State of Maine, and a copy of the close-out report to:** This applies to both fee for service contracts and cost settled contracts. In both instances Department agreement administrators sent your agency letters indicating that the balances were due to the Department.

As a result of the Appeal the balance due to the Department remains unchanged.

Department Appeals, Resolutions and Sanctions:

Upon receipt of this appeal decision your agency has sixty (60) days to accept or continue your appeal. To continue at step b you must submit a written request to James D. Bivens, Director, Office of Administrative Hearings, Marquardt Building, 11 State House Station, Augusta, Maine 04333, identifying which decision(s) from the Appeal Decision you wish to continue to appeal. For complete appeal rights see *Notice of Appeal Rights of Community Agencies*.

If you have any questions, please do not hesitate to contact Anthony Madden, Audit Manager at 287-2834. Thank you.

Sincerely,

Herbert F. Downs
Director

cc:

Kendra Zarella, Office Specialist I, DCM, DHHS
DHHS Receivables, DHHS Service Center, DAFS
BERRYDUNN, CPA

RIDER A
SPECIFICATIONS OF WORK TO BE PERFORMED

I. AGREEMENT FUNDING SUMMARY

Funds are provided under this Agreement for the provision of Alternative Response services. The levels of funding and service descriptions are detailed in Section III, Service Specifications and Performance Guidelines and in Rider F, Budget.

II. REPORTING REQUIREMENTS

The Provider shall submit financial and performance reports in accordance with the specifications of the Department, according to the following schedule:

NOTE: Separate reports to be submitted for each County served.

<u>Referrals Summary Report</u>	<u>Report Period</u>	<u>Due Date</u>
Document # of referrals rec'd, timeframes, family contacts, # closed and closure reason	Monthly	45 days after the report month
<u>Billing Form</u>	<u>Report Period</u>	<u>Due Date</u>
Document client name, MACWIS Case #, referral date, # of units billed, & Maine Care eligibility	Monthly	End of the following month
<u>Non-TCM/Flex Funds Expense Reports</u>	<u>Report Period</u>	<u>Due Date</u>
Document status of non-TCM expenses in relation to agreement budget	July-September 2008	October 30, 2008
	October-December 2008	January 31, 2009
	January-March 2009	April 30, 2009
	April-June 2009	July 31, 2009
<u>Agreement Close Out Forms</u>	<u>July '08-June '09</u>	<u>Due Aug. 31, '09</u>

The Agreement Close-out Report is a financial settlement that reconciles total Department agreement payments issued to the provider to the total amount of Department agreement funds earned by the provider. If a balance is due the provider, the Agreement Administrator will authorize the payment after approval of this report. **If a balance is due to DHHS, please send the check made out to Treasurer, State of Maine, and a copy of the close-out report to:**

**DHHS Service Center
ATTN: Team 2
221 State Street
11 State House Station
Augusta ME 04333-011**

The Provider understands that the reports are due within the timeframes established and that the Department will not make subsequent payment installments under this Agreement until such reports are received, reviewed and accepted.

The Provider further agrees to submit such other data and reports as may be requested by the Agreement Administrator. The Provider shall submit all data and reports to the Department in accordance with 34-B M.R.S.A. §1207 and in accordance with Section 6 of Rider B of this Agreement.



Department of Health
and Human Services

...Maine People Living
Safe, Healthy and Productive Lives

Department of Health and Human Services
Division of Purchased Services
221 State Street
11 State House Station
Augusta, Maine 04333-0011
TTY: 1-800-606-0215

John E. Baldacci, Governor Brenda M. Harvey, Commissioner

November 23, 2009

John NcAnuff
Spurwink Services
899 Riverside Street
Portland, Maine 04103

Dear John:

Re: DHHS CIP/ Alternative Response Contract CFS-09-8605
(CT # 10A 2008070300069, VC# 1000085465)

I have reviewed your expense-based close-out and fee-for-service units submissions for the above contract ending 6/30/09. Our records are in agreement as follows:

Expense-based, non-Targeted Case Management (TCM) - \$20,000 paid by DHHS
TCM, fee-for-service units - \$101,781.41 overpaid by DHHS

In summary, your non-TCM direct client expenses totaled \$20,342.80, over the budgeted and paid amount of \$20,000. Your TCM, fee-for-service units totaled 1,146 for MaineCare (MC) eligible clients (State seed rate) and 351 for non-MC eligible clients (@ full MC rate) for an earned amount of \$292,509.92, under the budgeted amount of \$863,004 and paid amount of \$394,291.33.

Please send a copy of this letter with the check made out to the Treasurer, State of Maine, in the amount of \$101,781.41 and referencing the contract number (CFS-09-8605) to the following address:

*DHHS Service Center
ATTN: TEAM 2
221 State Street
11 State House Station
Augusta ME 04333-011*

With this payment, I will consider the above-referenced contract to be formally closed out.

Sincerely,

Holly L. Cooper
Agreement Administrator

cc: K. Stokes, Spurwink Finance Office
R. Violette, DHHS Finance Office

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and Human Services

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John E. Baldacci, Governor

Brenda M. Harvey, Commissioner

September 14, 2010

John McAnuff, CFO
Spurwink
899 Riverside Avenue
Portland, Maine 04403

Dear John:

Re: DHHS Alternative Response Contract CFS-10-8605
(CT # 10A 20090603%6765, VC# 1000085465)

I have reviewed your expense-based close-out and fee-for-service units submissions for the above contract ending 6/30/10. Our records are in agreement as follows:

Expense-based, non-Targeted Case Management (TCM) - \$19,990 spent --\$2,253 over agreement amount of \$17,734 set aside for this purpose
TCM, fee-for-service units - \$389,772.87 earned

The fee for service unit breakdown is 1,588 for MaineCare (MC) eligible clients (State seed rate) and 491 for non-MC eligible clients (@ full MC rate). The agreement amount of \$17,734 specified for direct client costs was fully spent and paid to you. In summary, the agreement amounts earned for non-TCM direct client expenses and TCM, fee-for-service combined is \$407,506.87, under the agreement amount of \$655,872.71. With \$482,122.48 being paid to you to date, your agency owes \$74,615.61 to the State of Maine.

Please send a copy of this letter and the close-out reports with the check made out to the Treasurer, State of Maine, in the amount of \$74,615.61 and referencing the contract number (CFS-10-8605) to the following address: *DHHS Service Center, ATTN: TEAM 2, 221 State Street, 11 State House Station, Augusta ME 04333-011*

With this payment, I will consider the above-referenced contract to be formally closed out.

Sincerely,

Holly L. Cooper
Agreement Administrator

cc: R. Violette, DHHS Finance Office

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Department of Health and Human Services
Division of Audit

NOTICE OF APPEAL RIGHTS OF COMMUNITY AGENCIES

MAAP SECTION .04 C. as amended December 7, 2006.

1. Appeals Procedures

Step a - Director of Audit

A Community Agency may appeal, in writing, the findings of an IPA audit or a Department examination within sixty (60) days after receiving the report from the Department. The appeal letter must identify the issues being appealed and include the specific supporting documentation. It must be addressed to the Director of the Office of Audit.

The Director or the Director's designee will initiate a review of the audit appeal and will, as needed, consult with program management responsible for the affected agreements, Agreement Administrators, and other applicable and appropriate staff. If, upon initial review, the Director, and any other parties involved, agree with the position of the Community Agency, the Director may proceed to issue a decision.

If the appeal is not resolved after the initial review, the Director or the Director's designee will convene an informal review meeting. The informal review meeting will involve the Office of Audit, the Community Agency, program management responsible for the affected agreements, Agreement Administrators, and other applicable and appropriate staff.

The Director or the Director's designee will issue a written decision on the appeal and the full basis of the decision to the Community Agency no later than sixty (60) days following the receipt of the appeal letter, unless both parties agree to a timed extension. The letter may be co-signed by other DHHS staff as applicable.

Step b - Office of Administrative Hearings

If the Community Agency wishes to proceed further in its appeal, it may appeal to the Office of Administrative Hearings within sixty (60) days of receiving the decision from the Director of the Office of Audit. The issue(s) on appeal will be limited to what was raised at the Step a appeal. The hearing will be a de novo Order of Reference appeal hearing. The Hearing Officer will issue a Recommended Decision with the Commissioner issuing a Final Decision.

Step c - Judicial appeal

The Commissioner's decision is the final Department appeals action. Any further appeal is to the Maine Superior Court pursuant to Maine Rules of Civil Procedure, Rule 80C and 5 M.R.S.A. §11001.