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| LOCAL COMMISSIONERS MEMORANDUM |  
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DSS-4037EL (Rev. 9/89)

Transmittal No: 95 LCM-72

Date: July 11, 1995

Division: Office of Housing  
and Adult Services

TO: Local District Commissioners

SUBJECT: Protective Services for Adults (PSA): Revised PSA Audit  
Procedure

ATTACHMENTS: Compliance Rates for Rounds I and II of PSA Audit

Since the mid 1980's, the Department has conducted audits of the PSA programs administered by the local social services districts to determine compliance with applicable standards and to evaluate service delivery performance. As indicated by the attached chart, the PSA audits have contributed to a significant improvement in service delivery to PSA clients. In 94 LCM-136 you were informed of the Department's plans to continue the PSA audits and the changes that were being made to the audit procedure to make it more responsive to the needs of the local social services districts. The purpose of this memorandum is to update you on these changes.

As you know, the development of the revised PSA audit procedure was a collaborative effort between the Office of Housing and Adult Services (OHAS), the Office of Quality Assurance and Audit (QA&A) and local district participants on the New York Public Welfare Association's (NYPWA) PSA Audit Workgroup. The NYPWA workgroup developed new audit forms, instructions and case sampling methodology. Draft versions of the audit forms and instructions were shared with all Directors of Services for their review and comment. In addition, the audit forms were field tested by QA&A staff. Modifications were made in the audit procedure in response to comments that we received from local district staff and from QA&A field staff.

One of the major changes in the PSA audit process concerns the assessment of fiscal sanctions against those districts which are out of compliance with one or more of the Department's standards. In previous PSA

audits, reimbursement was withheld from a district immediately after the final report of the Department's initial audit findings was sent to the district. A district was then able to earn back its withheld reimbursement if a follow-up audit determined that the deficiencies identified in the initial audit had been corrected. In this round of audits, reimbursement will not be withheld for non-compliance with Department standards unless a follow-up audit determines that a district has not corrected the deficiencies identified in the initial audit. By moving the imposition of fiscal sanctions from the front to the back end of the audit process, reimbursement withholdings will not be assessed against any district until at least the first quarter of the 1997 calendar year.

In addition to the change regarding the imposition of fiscal sanctions, there are two other important changes in the revised audit procedure, namely:

- the PSA Intake standards set forth in 93 ADM-23 have been incorporated in the audit; and
- additional weight is given to factors that impact on the quality of services delivered to clients and less weight is given to technical and paperwork issues.

Now that all development activities, including the training of QA&A staff, have been completed, we are prepared to commence the next round of PSA audits. Copies of the final audit forms and instructions will be sent to your Director of Services under separate cover.

A description of the revised PSA audit process is presented below.

1. The responsibilities of QA&A and OHAS staff - As in previous PSA audits, the responsibility for reviewing a district's PSA cases will be shared between staff from the Department's Office of Quality Assurance and Audit (QA&A) and program staff from the Office of Housing and Adult Services (OHAS).

QA&A's regional offices will notify a local Commissioner that his/her district has been scheduled for an audit. QA&A regional staff also will be responsible for conducting an entrance conference with the Commissioner and/or his/her designee. After the entrance conference is completed, QA&A staff will conduct the entire case review in the offices of the local district.

After QA&A's findings are reviewed by OHAS program staff, QA&A staff will schedule an exit conference with the district to discuss the audit findings. Both QA&A and OHAS program staff will attend the exit conference.

After the exit conference, QA&A will prepare and send the draft audit report to the district, which will include the Department's findings and the proposed amount, if any, of PSA reimbursement to be withheld from the district if it fails to correct the identified deficiencies. As stated above, PSA reimbursement will not be withheld unless a follow-up audit determines that a district has failed to correct the deficiencies identified in the initial audit. A district will have 30 days to challenge the findings in the draft report. District challenges are to be sent to the appropriate QA&A regional office, which will provide a copy to OHAS. OHAS program staff will review the cases for which the findings are challenged and advise QA&A of their final determinations. QA&A staff then will prepare the final report to be sent to the district.

Local districts are required to submit corrective action plans to OHAS which address any deficiencies identified by the audit. OHAS staff are responsible for all follow-up activity with the districts in terms of providing technical assistance to local staff and reviewing, approving and monitoring the implementation of corrective action plans. In addition, OHAS staff will conduct follow-up audits to determine if compliance has been achieved with applicable standards.

2. Sampling Methodology - In previous PSA audits, case samples were drawn by QA&A staff from the Welfare Management System (WMS) database. An alternative sampling methodology had to be developed for this round of audits because PSA intake and assessment activity is not reported in WMS on a case specific basis.

The revised sampling methodology for this round of audits requires three separate randomly selected case samples. Sample I will be selected from local district PSA/Adult Services referral logs from among all cases that were screened at intake for PSA or other Title XX Services during the review period. Sample II will also be selected from referral logs, but will be limited to cases that were accepted for a PSA Assessment. Sample III will be selected from the WMS data base, similar to the sample selection process in previous audits, from among cases that were open in WMS during the review period.

The case samples to be reviewed for each district as part of this round of audits will be randomly selected from among all appropriate cases served by the district during the one year period ending with the month preceding the entrance conference. The actual number of cases to be reviewed in the three categories covered by the audit will be determined by caseload size. QA&A's statistical consultant has assisted us in developing the sampling methodology to assure the validity of this process.

3. Determining Compliance - Weights have been developed for each audit standard based on its relative importance in terms of service delivery. Our weighted system assigns a certain number of points to each standard, with the total number of points equalling 100. The categories and weighting have been revised because of the addition of intake activity and other changes that have been made in the audit format. The revised PSA audit weightings are listed in the chart below.

Category	Weight
<u>Sample I (Audit Form A)</u>	
Initial Screening of Referrals	15
<u>Sample II (Audit Form B)</u>	
PSA Referral Response	10
Initial PSA Assessment/ Eligibility	15
<u>Sample III (Audit Form C)</u>	
PSA Eligibility/ Reviews & Updates	10
Services Plans	10
Monthly Visits	15
Progress Notes	5
Services Plan Implementation	20
Total	100

Potential deficiencies are individually weighted within audit categories according to the relative importance of the deficiency. Partial credit can be earned in a case for an audit standard even if one or more deficiencies are found. As stated above, greater weight is given to substantive deficiencies that have a direct impact on the quality of services provided to clients. Conversely, lesser weight is assigned to paperwork and other purely technical deficiencies. This change will significantly reduce the impact of paperwork and other technical deficiencies on fiscal sanctions.

4. Sanctions Methodology - If a district fails to achieve compliance with one or more of the standards cited as deficient in the initial audit, it will be assessed fiscal sanctions for the period of time covered by the initial review. As previously explained, follow-up audits will be used to determine if a district has achieved compliance with those standards cited in the initial audit. A district is determined to be out of compliance if it achieves a compliance rate of less than 85% for one or more of the audit standards.

The amount of reimbursement to be withheld from a district is calculated by multiplying the weighted value (expressed as a percentage) of each standard for which the district is out of compliance by the amount of the district's PSA expenditures during the period covered by the review. A district's PSA expenditures will be determined by its reimbursement claims unless it is

clear that this information is inaccurate, in which case alternative information will be used and verified with the affected district. Each sanction amount is subject to an adjustment based on the degree to which the district is out of compliance with a standard, as follows:

- if a district's compliance rate for a standard is 70% or lower, the full sanction is applied;
- if a district's compliance rate for a standard is between 70.1% and 77.5%, two thirds of the full sanction is applied; and
- if a district's compliance rate for a standard is between 77.6% and 84.9%, one third of the full sanction is applied.

If you or your staff have any questions, please contact Gregory Giuliano at (518) 432-2980, OFISLink USERID AV0480, or Irvin Abelman at (212) 383-1755, OFISLink USERID OAM020.

Thank you for your attention to this matter.

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Stuart Feuerstein  
Associate Commissioner  
Office of Housing and Adult Services

OVERALL LOCAL DISTRICT COMPLIANCE RATES  
FOR ROUNDS I AND II OF PSA AUDIT

<u>Standard</u>	<u>Round I</u>	<u>Round II</u>
1. Referral Response	30%	70%
2. Timely Completion of Services Plan	23%	53%
3. Appropriateness of Services Plan	40%	88%
4. Eligibility Decisions	39%	92%
5. Monthly Visits	8%	48%
6. Timely Completion of Plan Updates	18%	40%
7. Services Plan Implementation	40%	78%
8. Progress Notes (Substantive)	57%	90%
9. Progress Notes (Technical)	22%	62%