



STATE OF ILLINOIS OFFICE OF THE AUDITOR GENERAL

Frank J. Mautino, Auditor General

REPORT DIGEST

PERFORMANCE AUDIT

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Audit performed in
accordance with
**House Resolution
Number 34**

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EXECUTIVE SUMMARY

DHS Oversight of the CILA Program

On March 15, 2017, the Illinois House of Representatives adopted Resolution Number 34 which directs the Auditor General to conduct a performance audit of the oversight of the Community Integrated Living Arrangements (CILA) program at the Department of Human Services (DHS).

As of May 2017, DHS licensed more than 3,000 CILA locations around the State with over one-third of all CILAs being located in Cook County. These CILAs served approximately 10,000 individuals.

For the period FY12-FY16, DHS:

- expended over \$2 billion on CILA services with the majority for clients with developmental disabilities;
- additionally expended nearly \$6.1 million for a contractor to provide transition planning and support, and expended more than \$28 million on 17 Independent Service Coordinators whose primary role is to assist with finding individuals appropriate living arrangements; and
- transitioned 408 individuals to CILA from State-Operated Developmental Centers (SODCs).

We found **weaknesses in DHS' licensing process** including failures to:

- publish accurate survey data;
- complete timely annual reviews;
- accurately account for notices of violation in its database;
- complete all surveys, require plans of correction, and approve all plans of correction;
- exercise ability to revoke a CILA license.

We found **weaknesses in DHS oversight and monitoring of the CILA Program** including failures to:

- conduct all CILA reviews by the Bureau of Quality Management (BQM);
- monitor CILA residents' personal funds by DHS;
- maintain supporting documentation for community placement interest by individuals at SODCs;
- share findings from DHS bureaus/offices with licensing staff; and
- recover funds from CILA providers not providing services for which they were paid.

There was a lack of documentation to support that all required transition visits were conducted for individuals that transitioned to CILA from SODCs.

DHS utilized Community Resource Associates (CRA), on a decision from the Governor's Office from the previous administration, to assist in closing SODCs. We found **weaknesses in the oversight by DHS of CRA** including questionable procurement strategies and failure to maintain documentation to support required CRA contractual deliverables. Additionally, DHS paid CRA an additional \$233,000 for services already required by the contract.

AUDIT SUMMARY AND RESULTS

On March 15, 2017, the Illinois House of Representatives adopted Resolution Number 34 which directed the Auditor General to conduct a performance audit of the oversight of the Community Integrated Living Arrangements (CILA) program at the Department of Human Services (DHS).

A CILA is a living arrangement which promotes residential stability for an individual who resides in his or her own home, in a home shared with others, or in the natural family home and who is provided with an array of services to meet his or her needs. The Community Services Act (405 ILCS 30) directs DHS to assume leadership in facilitating an array of services for persons with mental health and/or developmental disabilities that will strengthen the individuals’ self-esteem, participate in and contribute to community life, and prevent unnecessary institutionalization. DHS funds CILA services for persons with developmental disabilities and for persons with mental illness. Overall, for the period FY12-FY16:

DHS expended over \$2 billion on the CILA Program from FY12-FY16, an increase of 36 percent.

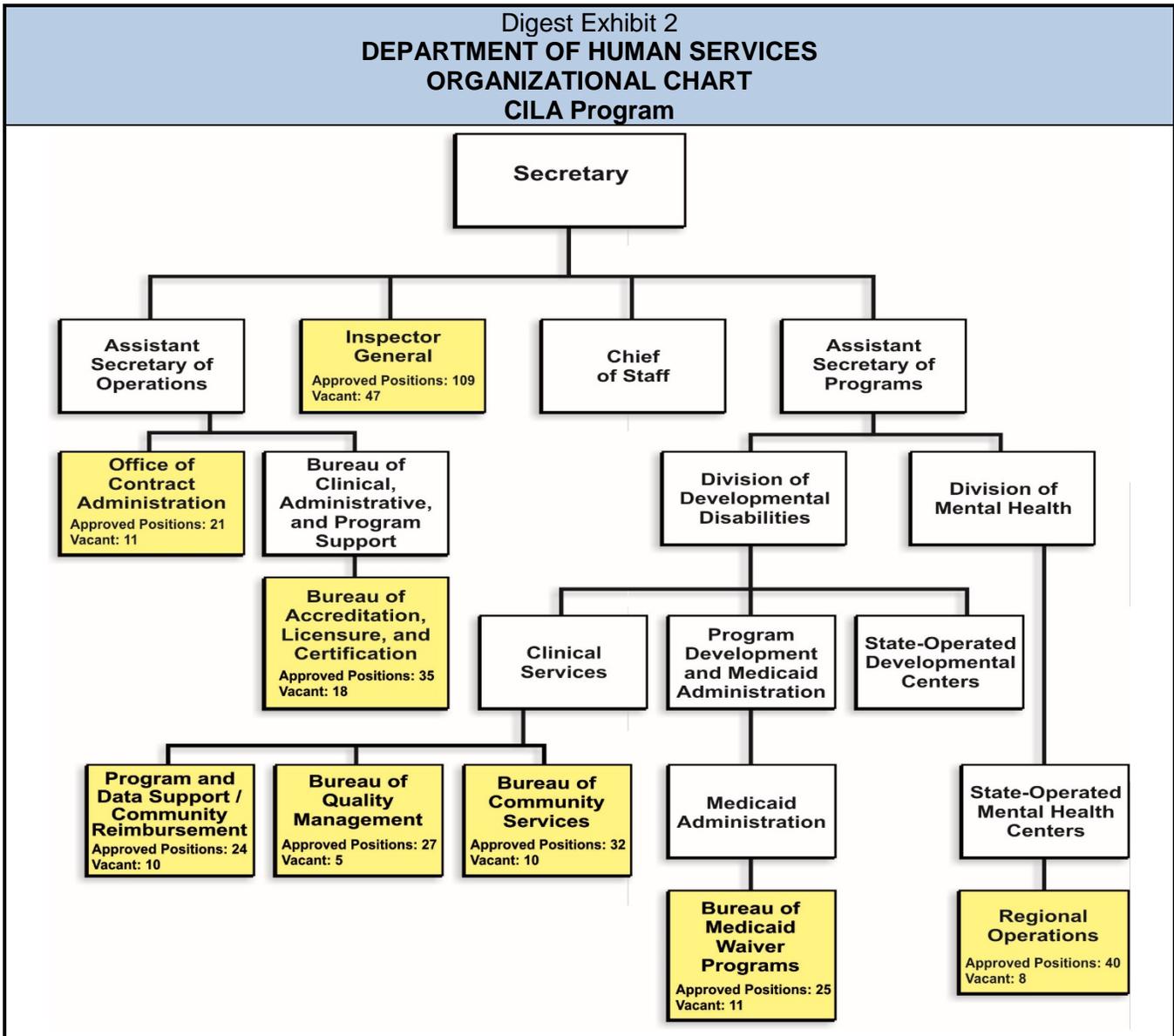
- DHS expended over \$2 billion on the CILA program, a 36 percent increase during the period.
- Ninety-seven percent of those expenditures were for clients that received CILA services related to developmental disabilities (DD) issues.
- Mental health (MH) served clients, which are financed through grants to community agencies, experienced a drop in overall expenditures from \$11.9 million in FY12 to \$11.2 million in FY16.
- CILA program participation for DD clients increased during the audit period by 23 percent. MH served clients decreased by 17 percent. Digest Exhibit 1 breaks down CILA expenditures during the audit period. (pages 1, 5, 8, 12)

Digest Exhibit 1
**COMMUNITY INTEGRATED LIVING ARRANGEMENT STATISTICS
FY12-FY16**

| <i>Year</i> | <i>#DD Clients</i> | <i>#MH Clients</i> | <i>Total Clients</i> | <i>DD Expenditures</i> | <i>MH Expenditures</i> | <i>Total CILA Expenditures</i> |
|---------------|--------------------|--------------------|----------------------|------------------------|------------------------|--------------------------------|
| FY12 | 9,549 | 448 | 9,997 | \$331,385,189 | \$11,904,197 | \$343,289,386 |
| FY13 | 10,051 | 433 | 10,484 | \$363,791,261 | \$11,809,878 | \$375,601,139 |
| FY14 | 10,611 | 413 | 11,204 | \$402,921,202 | \$11,809,878 | \$414,731,080 |
| FY15 | 11,639 | 384 | 12,023 | \$435,256,013 | \$11,377,038 | \$446,633,051 |
| FY16 | 11,737 | 371 | 12,108 | \$455,001,721 | \$11,208,167 | \$466,209,888 |
| <i>Totals</i> | | | | \$1,988,355,386 | \$58,109,158 | \$2,046,464,544 |

Source: OAG developed from DHS information.

DHS utilizes multiple organizational units to oversee the CILA program. These units include: the **Bureau of Medicaid Waiver Programs** which oversees the federal waiver which allows individuals to choose CILA services; the **Bureau of Community Services** which interfaces with providers of the CILA program on a daily basis; the **Bureau of Quality Management** that reviews CILAs for purposes of ensuring compliance with the federal home and community based waiver; the **Bureau of Accreditation, Licensure and Certification** licenses CILAs and is responsible for surveys to ensure compliance with DHS Rule 115, the CILA Rule; and the **Office of the Inspector General** which investigates allegations of abuse, neglect and financial exploitation. Digest Exhibit 2 presents the DHS organization chart with the units highlighted that monitor CILA operations. (pages 6-7)



Note: DHS was able to provide chart information for a period June 17, 2016 through June 6, 2017.
 Source: OAG developed from DHS information.

Six CILA providers controlled 20 percent of the CILA sites.

Twenty percent of the **CILA sites** are controlled by **six provider agencies**. Those providers with the number of sites in parentheses are:

- Trinity Services (118),
- Illinois Mentor Community Services (108),
- Clearbrook (107),
- UCP Seguin of Greater Chicago (97),
- Association for Individual Development (91), and
- Individual Advocacy Group (90).

DHS failed to develop a State plan for the distribution of CILAs around the State. Nearly **20 percent of the counties** around the State of Illinois had either **one CILA site or no CILA sites**. (pages 10-12)

Licensing Issues

During the audit we found a number of weaknesses in the licensing process for the CILA program. These findings included:

Published data on survey licensing scores was not accurate.

- DHS failed to provide transparency for individuals and guardians regarding the information it published on licensure survey results for the CILA program. We **found multiple omissions in published data** during FY12-FY16. Additionally, DHS has not adopted rules regarding posting of information. (pages 22-25)
- The Bureau of Accreditation, Licensure and Certification (BALC) utilizes a **survey scoring tool** that is inconsistent with criteria for sanction and license revocation in administrative rules. The scoring tool **fails to provide scoring for the lowest level of compliance** as defined in rule. This may have resulted in, for the period FY12-FY16, BALC only taking action on four license revocations. (pages 25-26)
- During the period FY12-FY16, DHS failed to routinely provide BALC with Office of the Inspector General (OIG) investigative findings and reports. **BALC was not always aware of and could not follow up on OIG recommendations** to the CILA provider agencies it licenses. (pages 26-29)
- DHS, in our sample of 25 CILA providers for the period FY12-FY16, **did not complete** five percent (7 of 128) of the CILA provider agency **annual reviews as required** by the administrative rules for CILA. For the annual reviews that BALC did complete, 26 percent (31 of 121) **were not timely**. Additionally, DHS allowed CILA provider agencies to submit 12 percent (15 of 130) of renewal applications **outside the timeframe required** by the CILA Rule. (pages 29-31)
- BALC used the survey process, including the issuance of notices of violations (NOVs) for noncompliance with CILA standards, to ensure CILA provider agencies were complying with established standards. However, we found **BALC did not always issue citations** for NOVs as defined in the CILA Rule. Additionally, BALC allowed CILA provider agencies to maintain their CILA licenses despite having **repeat violations**. Finally, the NOV

Licensing officials were not always aware of Inspector General Findings or reports.

Licensing officials could not show that immediate corrections were made for violations that could put CILA clients at risk of injury.

database did not represent the actual number of violations.
(pages 31-36)

- BALC survey documentation failed to indicate immediate corrections had been completed prior to completing licensing surveys. This failure is a **violation of policy and can put CILA clients at risk of injury**. Additionally, BALC does not verify that corrections to all violations of the CILA Rule are completed by providers, **risking that clients remain in the same living arrangements for three years** prior to conducting the next license survey. (pages 36-40)
- Audit testing found that BALC: did **not** complete or timely complete all surveys, did **not** require all plans of correction (POCs) to be submitted or be timely submitted by CILA provider agencies, and did **not** approve all POCs it received as required by the administrative rules. Additionally, auditors found some subjectivity and inconsistency in the BALC survey process. (pages 40-44)
- DHS has failed to adopt rules relative to establishing a process **to determine when to review a CILA provider**. This is a violation of the CILA Licensure and Certification Act. Additionally, BALC **was not provided** with some of the means to make that determination for the period FY12-FY16. (pages 44-46)
- DHS failed to enforce CILA rules by not seeking revocation of provider licenses in cases where sections of the rule were violated. Our examination of a sample of CILA providers found instances where BALC cited providers for **falsified records, failure to correct deficiencies and refusal to participate in** or permit the BALC survey process. Rather than revoke the CILA licenses, BALC either allowed the providers to remain in the program or entered into settlement agreements, **agreements which were not always followed**. (pages 46-51)

DHS did not seek revocation of CILA licenses even when violations showed falsified records and failure to correct cited deficiencies.

Oversight and Monitoring Issues

During the audit we found a number of weaknesses in the oversight and monitoring of the CILA program by DHS. These findings included:

- The Bureau of Quality Management (BQM) **failed to conduct CILA reviews** on 50 providers of CILA services during the period FY12-FY16. Twenty-three of the providers were in the CILA program for at least three years during the audit period. These 23 providers **received \$47,508,399** from DHS for CILA services. (pages 54-57)
- BQM does not **routinely share the results of its oversight activities** with the Bureau of Accreditation, Licensing and Certification (BALC). The sharing of this information could be beneficial to BALC in decisions to conduct well-being checks or modify its survey schedule of CILA providers. (pages 57-59)
- DHS does not monitor CILA residents' personal funds maintained by the CILA providers. Even though questions concerning client funds were discovered by the OIG and the Office of Contract

DHS does not monitor CILA clients' personal funds maintained at the CILA locations.

Administration (OCA) during the audit period **it does not appear** that the unit tasked with licensing of CILAs, BALC, **conducted any follow-up or was aware of problem CILA providers.** (pages 59-64)

While DHS paid a contractor \$6 million to transition individuals to the community, DHS did not maintain documentation to show whether the contractor was only providing services to individuals that wanted to transition to a CILA.

- **DHS failed to maintain supporting documentation** for community placement interest by individuals that reside in SODCs. Due to this lack of documentation **we were unable to determine** whether Community Resource Associates (CRA) was conducting activities only on individuals that were actively pursuing transition to CILA. CRA was **paid almost \$6.1 million by DHS** for the period FY12-FY16. (pages 64-68)
- DHS does not require organizational units that have oversight of the CILA program to always share information that could be beneficial to monitoring efforts. **OCA does not provide the results** of its fiscal/administrative reviews with the DHS unit that has authority to revoke the license of a non-performing CILA provider, BALC. (pages 68-70)
- **DHS failed to revise administrative rules** for changes made to the CILA program. These changes were effective July 1, 2017. The failure by DHS **resulted in community providers and Independent Service Coordinators (ISCs) operating under rules that were not consistent with federal guidelines.** (pages 70-73)
- DHS did not seek recoupment from CILA providers when documentation appeared to show that individuals did not receive the services for which the provider was being paid. Evidence from **DHS’ own documentation** showed that housekeeping, a service which is part of the rate, was lacking in some instances yet the provider was still paid the full rate. Recovery was also not conducted even when DHS documentation showed that **providers had not been able to document that services were being implemented** for individuals. (pages 73-78)

DHS does not seek recoupment of CILA funds from providers even when documentation appears to show services were not provided.

Between FY12-FY16, 408 individuals transitioned from SODCs to CILA sites.

Transition Follow-Up Issues

During the period FY12-FY16, DHS **transitioned 408 individuals** from the eight SODCs **to CILAs.** The responsibility for providing follow-up service visits to individuals who transition from an SODC to the community is performed by several entities. These entities are the ISCs, the Bureau of Transitional Services (BTS) within DHS, SODC staff, and a vendor (Community Resource Associates (CRA)) that DHS contracted with for SODC closure activities. (pages 80-81)

DHS contracted with **17 ISCs** whose primary role is to work with the individual, family, and/or guardian to identify the most appropriate living arrangement, be it State-operated facility or CILA. The 17 ISCs received **over \$28 million** for these services during the audit period. (pages 81-82)

During the audit we found a number of weaknesses in whether individuals that transitioned from State-Operated Developmental Centers (SODCs) to the

community had the required transition follow-up services. These findings included:

DHS staff only conducted 45 percent of the weekly required visits and 51 percent of the required monthly visits to CILA clients.

DHS did not have documentation to show its contractor had conducted all required follow-up visits to individuals who had transitioned to a CILA.

Twenty-seven percent of our sample showed that service plans were developed without participation of the individual or the guardian.

- **DHS failed to ensure** that Independent Service Coordinators (ISCs) maintained documentation on all required visits to individuals that transitioned from an SODC to a CILA. ISCs **only conducted 62 percent of the required weekly visits** to the individuals in CILAs. Additionally, ISCs **only conducted 82 percent of the required monthly visits** to the individuals in CILAs. However, ISCs did conduct 91 percent of the required quarterly visits to the individuals in CILAs. (pages 83-85)
- DHS, through its Bureau of Transitional Services, **failed to conduct** follow-up visits with individuals that transitioned from SODCs to CILAs. Our sample testing found that BTS **only conducted 45 percent of the required weekly visits** to the individuals in CILAs. Additionally, BTS **only conducted 51 percent of the required monthly visits** to the individuals in CILAs. (pages 85-88)
- **DHS failed to maintain documentation showing** that CRA conducted all transition follow-up visits with individuals that transitioned from SODCs during its contracts with DHS. Auditors requested documentation from DHS concerning all CRA activities, including transition follow-up visits conducted by CRA. However, information **provided to the auditors by DHS did not document all of CRA’s required transition follow-up visits**. For instance, DHS’ documentation of CRA’s **follow-up visits** accounted for 56 percent (860 of 1,527) of the required weekly visits, and 11 percent (171 of 1,576) of the required monthly visits. CRA initially indicated to auditors that it had turned all of its documentation over to DHS. Upon further auditor inquiry, CRA did locate some documentation; however, that documentation also was not complete. (pages 88-91)
- DHS failed to ensure that ISCs maintained all required consents for individuals selecting CILA as a living option. Our testing of 50 individuals that transitioned to a CILA during the audit period found **two instances where the ISC did not have the consent** for CILA services. Additionally, the consents we did review were **often not timely**. Some consents occurred after the individual transitioned, some consents were signed the day of transition, and others were dated well in advance of the transition date. Based on our testing we concluded **only 20 percent of the consents were timely**. (pages 91-93)
- DHS failed to ensure that either the individual in a CILA setting, or a guardian, participated in the development of all individual services plans (ISPs). This lack of oversight contributed to **nearly 27 percent of our sample where the plans were developed without input from the individual or guardian**. (pages 94-97)

Transition Planner Issues

DHS officials indicated that there was only one contractor that provided transition planning and support for the CILA program, Community Resource Associates (CRA). Officials also told auditors that the decision to contract, and renew, with CRA was not made by DHS. Instead, an official from the Governor’s Office made that decision. During the period FY12-FY15, CRA was paid almost \$6.1 million for services to DHS. Digest Exhibit 4 breaks out the CRA payments. (pages 99, 106)

| Digest Exhibit 4 COMMUNITY RESOURCE ASSOCIATES PAYMENTS BY DHS FY12-FY15 | | |
|--|--------------------|---------------------|
| <i>Contract</i> | <i>Amount Paid</i> | <i>Fiscal Years</i> |
| Closure of Jacksonville Developmental Center | \$2,183,192 | 12/13 |
| Closure of any SODC Identified by DHS | \$2,701,900 | 13/14 |
| Closure of any SODC Identified by DHS | \$1,182,125 | 15 |
| <i>Total</i> | <i>\$6,067,217</i> | |
| Source: OAG developed from Comptroller information. | | |

During the audit we found a number of weaknesses in the oversight of the CRA contract work. These findings included:

- DHS secured the services of Community Resource Associates (CRA) **under questionable procurement strategies**, first as an emergency then as a purchase of care contract. These strategies kept the services from being competitively procured and **made it impossible to tell** whether the State received the best deal for the funds paid. CRA was **paid over \$6 million** by DHS over the life of the contracts. (pages 101-106)
- DHS was **unable to provide** auditors documentation to support its decision to close any SODCs during the period FY13-FY15. These **decisions were needed** for CRA to conduct activities under two contracts with DHS for transition services. DHS paid **CRA \$3.9 million** for these two contracts even though it had **no documentation to support the need** for the services. (pages 106-109)
- From 2012-2015, **CRA received full contractual payment, \$6.1 million**, from DHS for services under three contracts. The three contracts between DHS and CRA contained deliverables sections. However, **DHS could not provide support** for a number of deliverables that were outlined in those contracts. (pages 109-111)
- DHS provided CRA over \$233,000 for services **more than 180 days after the contract term ended** for the contract to assist in the closure of the Jacksonville Developmental Center (JDC). The funds were for follow-up services related to on-site visits for the closure of JDC. However, **these services were already built into the original contract**, a contract that paid CRA all \$1,950,000 of the contract value. (pages 111-113)

DHS could not provide auditors with decision documentation to show it was closing various SODCs, documentation that was required for CRA to conduct activities under the 2nd and 3rd contracts.

DHS could not provide support for a number of deliverables that were outlined in the CRA contracts.

DHS paid CRA \$233,000 for services that were part of the original contract. The payment was more than 180 days after the contract term.

RECOMMENDATIONS

This audit report contains 26 recommendations directed to the Department of Human Services. The Department accepted 6 recommendations, agreed with 5 recommendations, partially agreed with 6 recommendations and disagreed with 9 recommendations. Appendix H to the audit report contains the agency responses.

This performance audit was conducted by staff of the Office of the Auditor General.

SIGNED ORIGINAL ON FILE

MIKE MAZIARZ
Audit Manager

This report is transmitted in accordance with Sections 3-14 and 3-15 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

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