

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
BUREAU OF IMPROVEMENT AND INTEGRITY
FINANCIAL COMPLIANCE UNIT



CONTRACT COMPLIANCE REVIEW

HEADREST

September 26, 2018

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
BUREAU OF IMPROVEMENT AND INTEGRITY
FINANCIAL COMPLIANCE UNIT

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I. ACRONYMS AND DEFINITIONS

Acronyms

BDAS
BII
BOD
CMS
DHHS
ED
FFY
RSA
QI

Definitions

Bureau of Drug and Alcohol Services
Bureau of Improvement and Integrity
Board of Directors
Centers for Medicare & Medicaid Services
Department of Health and Human Services
Executive Director
Federal Fiscal Year
Revised Statute Annotated
Quality Improvement

II. EXECUTIVE SUMMARY

On July 17, 2018, a team of staff from the NH Department of Health and Human Services (DHHS), Bureau of Improvement and Integrity (BII) and Bureau of Drug and Alcohol Services (BDAS) conducted a contract compliance site review of Headrest. In November 2017, a team of BDAS staff conducted a client record review of Headrest.

Headrest receives monies through multiple funding sources, including federal and state funds. This audit was conducted in compliance with federal directives under the Uniform Guidance Regulations Part 200 Subpart D #200.328 for monitoring and reporting program performance which states the state is responsible for “oversight of the operations of the Federal award supported activities.” Headrest provides services that include:

- Crisis Intervention services;
- Low-Intensity Residential Program; and
- Outpatient Substance Use Disorder Counseling.

The review focused primarily on contract and administrative rule compliance. It also included a general financial review and interviews of clients, staff, the Executive Director (ED) and Board of Directors (BOD). The project team identified strengths and opportunities for improvement throughout the evaluation process.

The review team identified improved financial health from an initial desk review in January 2018 to the on-site review in July 2018. In that time, the agency has taken positive steps such as including a CPA on the Board. Headrest was cooperative and responsive during the course of the review and development of corrective action plans in response to the audit findings.

Areas for improvement include inadequate documentation of timely level of care assessments, clinical evaluations and direct contact with clients, client fee determinations, assessment for a client’s risk of self-harm. We also found inadequate documentation of treatment plans, treatment plan updates, and client involvement with the planning, discharge planning, required releases of information, or compliance with the American Society of Addiction Medicine (ASAM) standards.

Miscellaneous Deficiencies:

- There should be a complete accounting and financial policy and procedure manual.
- The ED should document the review and approval of all expenses
- The BOD should document the review and approval of all of the ED expenses.
- There should be a BOD orientation manual.

The agency should have formal written policies and procedures for the following business areas:

- Assessing a client’s appropriateness for enrollment in a public or private insurance
- Modifying existing tobacco policy
- A detailed interim services available to clients
- Sentinel Event Reporting policy

III. AGENCY BACKGROUND INFORMATION

This review is one element of an ongoing monitoring process and was conducted in accordance with the Standard Exhibit C, Section 9.1 of the contract. This section of the contract states:

“During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.”

According to their website, Headrest is a nonprofit organization that began at Dartmouth College in 1971 and is now located in Lebanon, NH. Headrest provides a 24-hour crisis hotline service to individuals living NH and VT and nationwide. Their Church St. facility now provides 14 beds for 90 days to individuals who have recently completed some form of substance use treatment and need a safe, sober environment preparing them as they transition back into the community. Headrest Staff provide substance use education to schools, businesses and other organizations in the Upper Valley as well as the state. They also offer outpatient substance use treatment for both men and women. Both group and individual treatment modalities are used, including Outpatient (OP) and Intensive Outpatient (IOP) Programs.

IV. PURPOSE, SCOPE AND METHODOLOGY OF REVIEW

A team of DHHS staff conducted a review of Headrest on July 17, 2018. The project team consisted of several members from the Bureau of Drug and Alcohol (BDAS) and a staff member from the Bureau of Improvement and Integrity and Information (BII). Headrest was notified of the review in advance and sent a detailed letter describing the review and requesting financial information. The purpose of the review was to:

- Assess compliance with state administrative rules and BDAS contracts;
- Review documentation supporting claims submitted to BDAS for reimbursement;
- Identify opportunities for technical assistance from BDAS; and
- Identify best practices.

The scope included the review of:

- Program descriptions;
- Required components of personnel files;
- Agency policies and procedures;
- Interviews of clients, staff and BOD;
- Billing invoices and payroll; and
- Client records.

V. OBSERVATIONS AND RECOMMENDATIONS

Requirement: According to Exhibit A 7.1, “The Contractor shall complete Intake Screenings and ASAM Level of Care Assessments, as follows:

- **Exhibit A Section 7.1.1** - “Have direct contact (face to face communication by meeting in person, or electronically, or by telephone conversation) with an individual within two (2) business days from the date that individual (defined as a non-client, existing client, other provider, or any other person or entity) contacts the Contractor for Substance Use Disorder Treatment and Recovery Support Services.”
- **Exhibit A Section 7.1.3** - “Assess clients’ income prior to admission using the WITS fee determination model and assure that clients’ income information is updated as needed over the course of treatment by asking clients about any changes in income no less frequently than every 4 weeks.

Exhibit A Section 7.1.4 - “Complete an ASAM Level of Care Assessment for all services in Section 4, except for Transitional Living, within two (2) days of the initial Intake Screening in (Section 7.1.2) using the ASI Lite module, in WITS or in another electronic medical/health record system, or an alternative assessment tool as directed by the Department, when the individual is determined probable of being eligible for services.”

1. **Observation:** At the time of the program review 2 out of 6 records reviewed indicated no direct contact within two business days from the date that the individual contacted the agency for services.

Recommendation: The Agency should have direct contact within two business days from the date that the individual contacted the agency for services.

Contract Agency Response: Concur.

Corrective Action: Staff will attempt to contact Residential candidates within two days of initial Intake/ Screening contact. Documentation will be done in NON-Episode contact. For Outpatient clients are usually seen within 2 days based on client’s schedule. We have had, since March 2018, an AmeriCorps member to call outpatient client’s to remind about appointments, as of this date documentation will be provided in WITS, NON- Episode contact.

2. **Observation:** At the time of the program review 3 out of 5 records reviewed did not have a fee determination and none of the records had been updated.

Recommendation: All records need to have a fee determination prior to admission and be updated no less frequently than every four weeks.

Contract Agency Response: Concur in Part. We agree that fee determination was not done for all a clients upon admission. Not all residents and/ or clients use BDAS monies.

Corrective Action- Beginning immediately, upon admission, each client will receive a fee determination. Then on a monthly basis a fee determination is completed again for BDAS clients and collection of funds if positive findings.

3. Observation: At the time of the program review 5 out of 5 records reviewed did not have a level of care assessment completed within two days.

Recommendation: All records need to have a level of care assessment completed within two days.

Contract Agency Response: Concur.

Corrective Plan: From November 2017 in Residential, Level of Care assessment has been completed in the WITS system upon admission. At this time, Outpatient will be completing Level of Care Assessment after two sessions is completed. Residential Coordinator will be completing ASAM criteria in a NON-Episode Contact prior to admission to determine level of care of waitlist candidates.

Requirement: According to Exhibit A Section 7.1.6, “The Contractor shall complete a clinical evaluation of clients for services in Section 4, as follows:”

- **Exhibit a Section 7.1.6.1 - “Prior to admission as a part of interim services or within 3 days following admission, and during treatment only when determined by licensed clinician.”**

4. Observation: At the time of the review 5 out of 7 records did not have a clinical evaluation for services prior to admission as part of interim services or within 3 days following admission.

Recommendation: The Contractor shall complete a clinical evaluation of clients for services prior to admission as part of interim services or within 3 days following admission.

Contract Agency Response: Concur

Corrective Action: To determine Level of Care for Residential services, Headrest obtains clinical evaluation from referring treatment facility. Residential staff completes the ASI three days post admission. Outpatient will be completing a clinical evaluation in three sessions. Currently, we have an AmeriCorps member that has been calling to remind clients about their appointment. Also, if they may need assistance with interim services and any social determinants they need help with. This will be documented in a non-episode contact in WITS.

Requirement: According to Exhibit a Section 7.2, “The Contractor shall determine client eligibility for services under this contract using the eligibility criteria as follows:”

- **Exhibit A Section 7.2.1 – “The individual’s income must be below 400% of Federal Poverty Level (FPL);”**

5. Observation: At the time of the record review the income eligibility was missing in the WITS system in 3 of 5 client records that were reviewed.

Recommendation: All clients shall have income below 400% FPL to be eligible for services. These determinations must be documented in the WITS system.

Contract Agency Response: Concur:

Corrective action: When an individual calls to request services, an Intake/Screening is completed, New Episode in WITS is completed with fee determination whereas the information is on the screening form. All services provided will be document in WITS.

Requirement: According to Exhibit a Section 9.1, “The Contractor agrees to collect allowable fees from clients and to assist them with enrolling in private or public insurance programs when appropriate, as follows:”

- **Exhibit A Section 9.1.3, “Agrees to assist clients, who are unable to secure financial resources necessary for initial entry into the program, with obtaining other potential sources such as:”**
 - **Exhibit A Section 9.1.3.1 – “Assess the client’s appropriateness for enrollment in public or private insurance, including but not limited to Medicaid and New Hampshire Health Protection Program, and assist the client in enrolling in an appropriate public or private insurance program; and/or”**
 - **Exhibit A Section 9.1.3.2 – “Complete assistance at or before intake, but no later than 14 days after intake.”**
 - **Exhibit A Section 9.1.3.3 – “Develop payment plans.”**

6. Observation: It is unclear if the agency assesses a client’s appropriateness for enrollment in a public or private insurance.

Recommendation: The agency should develop a policy to ensure that the client receives assistance regarding enrollment in a public or private insurance company within 14 days after intake. The agency should help develop payment plans.

Contract Agency Response: Concur:

Corrective Action: At this current time, Residents are enrolled in public insurance within 3 days of admission. This will be documented in WITS in Misc. Notes, with date of enrollment. That does not mean that coverage is immediate. All our residents are homeless upon admission to Residential. We do payment plans with residents regarding fee determination on an individual basis. Administration will be updating these procedures during the fall of 2018 for policies and procedures manual review.

Requirement: According to Exhibit A Section 10.1, “The Contractor shall assess all clients for risk of self-harm at all phases of treatment, such as at initial contact, during screening, intake, admission, on-going treatment services and at discharge based on policies and process approved by the Department within thirty (30) days from the contract effective date.

7. **Observation:** At the time of the review 4 out of 7 records did not indicate an assessment for a client’s risk of self-harm at all phases of treatment was completed based on policies and process approved by the Department within thirty (30) days from the contract effective date.

Recommendation: The agency shall assess all clients for risk of self-harm at all phases of treatment, such as at initial contact, during screening, intake, admission, on-going treatment services and at discharge based on policies and process approved by the Department within thirty (30) days from the contract effective date.

Contract Agency Response: Concur:

Corrective Plan: Case managers and Outpatient Counselors will assess self-harm risk on a monthly basis, unless clients are exhibiting signs and symptoms of self-harm and or suicidal or homicidal ideations prior. Headrest does assess for client’s risk of self -harm at initial contact, during screening and on admission. The staff has training on the 5 signs, Suicide prevention all through CRSW training and LADC renewal mandatory trainings. Staff will check in with their clients/residents and document in case management note or clinical progress (encounter) notes.

Requirement: According to Exhibit A Section 10.3, “The Contractor shall complete treatment plans for all clients based on clinical evaluation data within 3 days of the clinical evaluation (defined in Section 7.1.6) and must address all ASAM (2013) domains and shall:”

- **Exhibit A Section 10.3.1 - “Be updated based on any changes in any American Society of Addiction Medicine Criteria (ASAM) domain and no less frequently than every 4 sessions or every 4 weeks, whichever is less frequent;”**

- **Exhibit A Section 10.3.1 (second one) – “Have Treatment plan goals, objectives, and interventions written in terms that are specific, measurable, attainable, realistic and timely”**
- **Exhibit A Section 10.3.2 – “Evidence the client’s involvement in identifying, developing, and prioritizing goals, objectives, and interventions.”**

8. Observations: At the time of the review:

- 4 of 7 records reviewed had missing treatment plans.
- 6 of 7 records reviewed had no treatment plan updates.
- 5 of 7 records reviewed had inadequate planning information
- 6 of 7 records showed no evidence that the client had involvement in identifying, developing, and prioritizing goals, objectives, and interventions.

Recommendation: The agency must have treatment plans for all clients as well as plan updates, adequate planning information and evidence of client involvement.

Contract Agency Response: Concur:

Corrective Action: Every Member of the residential and Outpatient staff has had at least four trainings in-house since December 2017 regarding treatment plans, using SMART goals and how to do updates monthly and /or when goals are completed and to re-evaluate goals. We have provided staff with access to Treatment Planning Book for Addictions, which assists with formation for treatment plans if they need assistance. Treatment plans are not in WITS, we use paper version, approved by BDAS. Documentation in clinical progress notes. All Treatment Plans are Client Centered developed and signed by the client. Treatment plans are also in the client’s chart.

Requirement: According to Exhibit A Section 10.6, “The Contractor will make continuing care, transfer, and discharge for all Services in Section 4, except for Transitional Living (See Section 10.1.6). The Contractor shall decisions based on ASAM (2013) criteria and complete continuing of care, transfer and discharge plans that address all ASAM (2013) domains as follows:”

- **Exhibit A Section 10.6.1 -“Begin the process of discharge/transfer planning at the time of the client’s intake to the program.”**

9. Observation: At the time of the review 3 out of 7 records did not indicate a process of discharge occurred at the time of intake.

Recommendation: All records must include the process of discharge/transfer planning at the time of the client's intake to the program.

Contract Agency Response: Concur:

Corrective Action: In fall 2017 a discharge summary was developed and put into place that includes ASAM (2013) criteria and domains to assess progress. Discharge planning begins during Intake, Case Management, Residential, group, individual counseling at Outpatient. Documentation is in Case Management and/or in Encounter notes.

Requirement: According to Exhibit A Section 10.9, "The Contractor shall deliver services in this Contract in accordance with:"

- **Exhibit A Section 10.9.1 – "The ASAM Criteria (2013). The ASAM Criteria (2013) can be purchased online through the ASAM website at: <http://www.asamcriteria.org/>"**

10. Observation: At the time of the review 2 out of 7 records indicated that programs are fixed lengths of stay which is not in line with ASAM.

Recommendation: All services provided must use the ASAM Criteria. Staff should be trained in ASAM criteria.

Contract Agency Response: Concur:

Corrective Action: Since November 2017 the staff, residential and outpatient, have been using ASAM criteria for admission, level of care and discharge. As well, in November 2017, staff were educated in regards to the level of care that is determined on progress not on at fixed length of stay. The staff have had multiple in-house trainings on this subject since November 2017.

Requirement: According to Exhibit A Section 13.1, "The Contractor shall have policies and procedures that create a tobacco-free environment. At a minimum these policies shall:

- **Exhibit A Section 13.1.6 – "If use of tobacco products is allowed outside of the facility on the grounds:"**
 - **Exhibit A Section 13.1.6.3 – "Contractors will ensure periodic cleanup of the designated smoking area."**

11. Observation: There is currently a tobacco policy in the Operations Handbook. The procedures do not include a periodic cleanup of the designated smoking area.

Recommendation: The agency should modify its policy to include a cleanup of the smoking area.

Contract Agency Response: Concur

Corrective Action: This will be added to the policy during the fall 2018 procedures review. Also, this will be added to the chore list at the residential facility. There is no smoking allowed on the campus of Alice Peck Day Hospital where Outpatient is located. This will be added as a policy during the fall 2018 policies review.

Requirement: According to Exhibit A Section 24.3, “The Contractor agrees to the following state and federal requirements for all programs in this Contract as follows:

- **Exhibit A Section 24.3.2 – “The program offers interim services that include, at a minimum, the following:**
 - **Counseling and education about HIV and Tuberculosis (TB), the risks of needle-sharing, the risks of transmission to sexual partners and infants, and steps that can be taken to ensure that HIV and TB transmission does not occur**
 - **Referral for HIV or TB treatment services, if necessary**
 - **Individual and/or group counseling on the effects of alcohol and other drug use on the fetus for pregnant women and referrals for prenatal care for pregnant women**

12. Observation: There are no formal policies that describe specific required interim services that the Contractor offers to clients.

Recommendation: The agency should develop a formal policy that includes all required interim services available to clients.

Contract Agency Response: Concur

Corrective Action: Since March 2018 we use an AmeriCorps Member to address the social determinants with clients pending appointment with Outpatient, IE: medical referral, or referral to prenatal care for pregnant women, housing, insurance enrollment, we do offer outpatient services to client’s pending a residential bed. We also discuss in groups, high risk behavior that include STD’s and TB as well as information about drugs and alcohol. Where we do not see many pregnant women, if we do, we refer to the DHMC prenatal program for MAT

Requirement: According to Exhibit A Section 24.3.14 “The program has in effect a system to protect patient records from inappropriate disclosure, and the system:”

- **Exhibit A Section 24.3.14.1 – “Is in compliance with all Federal and State confidentiality requirements, including 42 CFR part 2.”**

13. Observation: The agency appears to be in compliance with all Federal and State confidentiality requirements, including 42 CFR part 2. However, there were some missing releases of information and no BDAS Consents.

Recommendation: The agency needs to have all required releases of information completed and BDAS consents.

Contract Agency Response: Concur:

Corrective Action: Since August of 2016 there has been multiple of training, in house and some thru NHADACA. Most recent May 2018 to have staff become aware and begin to use the new releases, 42 CFR part 2, trained via Webinar with Legal Action Center out of NYC. We will reeducate staff to BDAS consents.

Requirement: According to Exhibit A, Section 24.4.3, “Contractors shall comply with the Department’s Sentinel Event Reporting Policy.”

14. Observation: There was no agency-specific written policy for compliance with Department’s Sentinel Event Reporting Policy.

Recommendation: Develop a policy regarding complying with Department’s Sentinel Event Reporting Policy and ensures staff are adequately trained on the policy.

Contract Agency Response: Concur.

Corrective Action Plan: The board reviews all policies twice per year. At the next review which should be in Fall of 2018, This policy will be added.

Requirement: According to Exhibit C, Section 8.1 – “Fiscal Records: books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department....”

15. Observation: There was no documentation that the Director had reviewed and approved agency expenses based on the invoices reviewed.

Recommendation: When the Director reviews and approves agency expenses it must be documented to include initials and a date on the invoice.

Contract Agency Response: Concur in Part- Although expenses were not initialed and dated, review of expenses are consistently reviewed by the Executive Director and the Assistant Director.

Corrective Action Plan: We have developed a Fiscal Accounting Policy and Procedures Manual Draft that will include specific instructions on review of the expenses by the executive Director that will include an approval process. The manual will be approved by Fall of 2018.

Requirement: According to Exhibit C, Section 8.1 – “Fiscal Records: books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department....”

16. Observation: Based on the invoices reviewed, there was no indication that the Board had reviewed and approved Director expenses.

Recommendation: The Board should review and approve Director expenses on a monthly basis. This review and approval shall be documented.

Contract Agency Response: Concur in Part- All expenses have always been reviewed by the Treasurer who has access to the Headrest electronic bank account statements.

Corrective Action Plan: Beginning immediately, all expenses incurred by the Executive Director will be approved by the Treasurer or Board Chair and the policy will be adopted in the Fiscal Accounting Policy and Procedures Manual that is in progress and will be approved by the Board by Fall 2018

Requirement: According to Exhibit C, Section 8.1 – “Fiscal Records: books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department....”

17. Observation: The agency currently has budget management, billing, payroll, purchasing and funds management procedures.

Recommendation: The agency should develop formal policies and procedures to strengthen internal controls. These policies should include but not be limited to:

- Cash Receipts
- Cash Disbursements

- Journal Entries
- Accounts Payable
- Travel
- Cash and Cash Management
- Fixed Asset Management
- Record Retention

Contract Agency Response: Concur.

Corrective Action Plan: Headrest has Drafted a Fiscal Accounting Policy and procedures Manual that will be presented and approved by the Board by Fall 2018.

The information and recommendations in the following section are for technical assistance and best practices.

At the time of the review, it does not appear that the BOD has a formal orientation manual.

18. Recommendation: There should be a BOD orientation manual. It should include:

- All applicable State administrative rules.
- Overview of responsibilities (fiduciary and programmatic)
- Organizational chart including BOD subcommittees
- The mission statement
- Current list of BOD members
- All brochures of the agency.
- Copy of the By-Laws.
- Copy of the current contracts.
- Policies and procedures (operations, financial and employee handbook)

This process will assist BOD members to acclimate to their role and understand their responsibilities.

Contract Agency Response: Concur in Part- The above mentioned documents and information is readily available to all Board members through our electronic filing system (Office 365).

Corrective Action Plan: By December 2018, the Board will create an official Orientation Manual that will describe the process for accessing all material and documents that will serve as an on-boarding mechanism for future orientation of Board members

End of Report