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NEWS RELEASE

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FOR RELEASE May 20, 2015

Auditor of State Mary Mosiman today released a report on a special investigation of the Center for Behavioral Health (CBH) for the period January 1, 2011 through May 21, 2013. The special investigation was requested by the Iowa Department of Public Health (IDPH) as a result of the alleged use of Access to Recovery (ATR) program funds for personal purposes by Mindy Williams, the former Executive Director of CBH. Ms. Williams had been the Executive Director since 2006.

IDPH reimburses CBH for the provision of services through the ATR program. CBH's primary focus is the provision of a comprehensive treatment program to assist people addicted to opiates. However, CBH also provides treatment for all drugs and alcohol, HIV/AIDS, compulsive gambling, and domestic violence. Services provided include transportation assistance, drug screenings, sobriety incentives, wellness assistance, and meetings with counselors. CBH is to maintain all supporting documentation for services provided and enter the claims for reimbursement in IDPH's Voucher Management System (VMS).

Mosiman reported the special investigation identified \$130,556 of improper and unsupported reimbursements to CBH by IDPH under the ATR program. The \$108,639 of improper reimbursements identified consists of:

- \$55,060 of improper gas card reimbursements,
- \$12,676 of improper gift card incentive reimbursements,
- \$12,175 of improper wellness fee reimbursements,
- \$10,349 of improper bus pass reimbursements,
- \$4,426 of improper drug screening reimbursements,
- \$215 of improper sober living activity fee reimbursements, and

- \$13,738 of improper care coordination fees associated with the improper gas card, wellness fee, bus pass, and sober living activity fee reimbursements.

The \$21,917 of unsupported reimbursements identified includes:

- \$13,075 of gas card reimbursements,
- \$7,346 of bus pass reimbursements,
- \$975 of gift card incentive reimbursements, and
- \$521 of sober living activity fee reimbursements.

In addition, Mosiman reported both the client receiving services and a representative of CBH were required to sign an ATR receipt form acknowledging the receipt of services, including the amount received. However, significant deficiencies were identified with the completion of these forms, including a lack of client signatures and/or signatures of a CBH treatment center employee. In addition, there was no documentation of the amount of services provided, and there was evidence of alteration of the forms after the signatures and dates had been applied. As a result, it was not possible to determine if additional amounts were improperly reimbursed because adequate records were not available.

The report includes recommendations to strengthen IDPH's subrecipient monitoring and subrecipient internal controls and overall operations. The recommendations include requiring subrecipients to:

- Obtain original receipts from employees for the reimbursement of gas/gift cards purchased,
- Perform independent reconciliations of ATR receipt forms and drug screenings administered to entries in IDPH's VMS, and
- Discontinue advance payment for services.

Copies of the report have been filed with the Des Moines Police Department, the Division of Criminal Investigation, the Polk County Attorney's Office, and the Attorney General's Office. A copy of the report is available for review in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/specials/1460-5880-BE00.pdf>.

**REPORT ON SPECIAL INVESTIGATION
OF THE
CENTER FOR BEHAVIORAL HEALTH
FOR THE PERIOD
JANUARY 1, 2011 THROUGH MAY 21, 2013**

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Auditor of State's Report

To Gerd Clabaugh, Director of the Iowa
Department of Public Health:

As a result of the alleged misuse of Access to Recovery (ATR) program funds and at your request, we conducted a special investigation of the Center for Behavioral Health (CBH). We have applied certain tests and procedures to selected financial transactions of CBH for the period January 1, 2011 through May 21, 2013. Based on a review of relevant information and discussions with CBH and Iowa Department of Public Health (IDPH) personnel, we performed the following procedures:


- (1) Interviewed IDPH and CBH staff responsible for oversight of the ATR program and reviewed the ATR Provider Manual to obtain an understanding of the ATR program.
- (2) Evaluated internal controls and monitoring procedures for CBH and IDPH to determine whether adequate policies and procedures were in place and operating effectively.
- (3) Examined claims for reimbursement submitted to IDPH by CBH for gas cards, gift card incentives, wellness fees, bus passes, and sober living activity fees provided to clients to determine if they were for appropriate purposes and were supported by adequate documentation.
- (4) Examined claims for reimbursement submitted to IDPH by CBH for client care coordination fees to determine if they were associated with a legitimate provision of service.
- (5) Confirmed the number of drug tests administered to select clients to determine if the number of drug tests claimed for reimbursement by CBH could be validated.
- (6) Scheduled the number of drug tests administered to select clients to determine if the gift card incentives provided complied with ATR guidelines.
- (7) Reviewed all checks issued to Mindy Williams, former Executive Director of CBH, by CBH to determine if they were appropriate and supported by adequate documentation.
- (8) Reviewed bank statements for Ms. Williams' personal bank accounts to determine the source of certain deposits.


These procedures identified \$130,556 of improper and unsupported reimbursements. We were unable to determine if additional amounts were improperly reimbursed because adequate records were not available. Several internal control weaknesses were also identified. Our detailed findings and recommendations are presented in the Investigative Summary and **Exhibit A** of this report.

The procedures described above do not constitute an audit of financial statements conducted in accordance with U.S. generally accepted auditing standards. Had we performed additional procedures, or had we performed an audit of financial statements of the Center for Behavioral Health, other matters might have come to our attention that would have been reported to you.

Copies of this report have been filed with the Des Moines Police Department, the Division of Criminal Investigation, the Polk County Attorney's Office, and the Attorney General's Office.

We would like to acknowledge the assistance and many courtesies extended to us by the officials and personnel of the Iowa Department Public Health and the Center for Behavioral Health during the course of our investigation.


Mary Mosiman, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

February 24, 2015

Center for Behavioral Health

Investigative Summary

Background Information

The Center for Behavioral Health (CBH) is a private, outpatient organization, based in Idaho, which focuses on treating substance abuse. CBH has 20 treatment centers located in 8 states, including Iowa. CBH is primarily funded through client fees; however, certain locations receive funding through the state or federal government. The Iowa CBH treatment center, located in Des Moines, received funding through the Access to Recovery (ATR) program administered by the Iowa Department of Public Health (IDPH). For this report, CBH employees working in Idaho are referred to as CBH staff, and CBH employees working at the Des Moines treatment center are referred to as Des Moines treatment center employees. Mindy Williams became Executive Director of the Des Moines treatment center on March 14, 2006 and resigned on May 21, 2013.

According to IDPH staff, ATR is a four year grant awarded to IDPH by the Substance Abuse and Mental Health Services Administration, Center for Substance Abuse Treatment (SAMHSA) in October 2010. There are currently 138 locations across the state which can provide services under ATR. Each vendor is referred to as a care coordination services provider. ATR provides funding to individuals to purchase services linked to their recovery from substance abuse and emphasizes client choice by increasing the available community-based services, supports, and providers. During the period reviewed, ATR was in its third phase and had expanded to allow reimbursement to treatment centers for gas cards, gift card incentives, and bus passes provided to clients. CBH began administering the expanded ATR program in January 2011, and its relationship with IDPH was terminated in June 2013.

IDPH developed a provider manual which details all requirements of the ATR program and includes appendices with required forms to be used by the care coordination services providers. In addition, IDPH established eligibility criteria for individuals wanting to receive assistance through the ATR program. Care coordination services providers are responsible for ensuring all eligibility criteria are met before approving an individual's participation. ATR covered services are managed by IDPH through an electronic Voucher Management System (VMS). Care coordination services providers enter vouchers for selected covered services and client encounters for delivery of covered services into the VMS. Subsequently, to obtain reimbursement, care coordination services providers submit an expenditure claim to IDPH which summarizes the payment requested. IDPH compares the expenditure claim received to the vouchers and client encounters entered into the VMS to validate the expenditure claim prior to issuing payment.

In general, clients participating in ATR choose the covered services they want, including the amount up to a maximum of \$2,000, frequency, and duration. There are 3 types of covered services available through ATR:

- Care coordination services,
- Recovery support services, and
- Behavioral health services for active military personnel.

Care coordination services providers establish and maintain relationships with clients and assist them in identifying and accessing covered services. ATR covered services are selected through the care coordination services process, which includes an intake interview, discharge interview, and follow-up interview. The follow-up interview is a one-time face-to-face or telephone meeting with the client, which is conducted 6 months following admission to the ATR program. It is used to assess the client's satisfaction with the ATR program, and the client is provided a \$20 gift card as an incentive to complete the follow-up interview. The ATR Provider Manual includes an "Access to Recovery – Receipt Form" which is to be used by the care coordination services providers to document the provision of the \$20 gift card through the signatures of the client and the provider. We determined, in most cases, Ms. Williams signed the form for CBH. **Appendix 1** includes a copy of the "Access to Recovery – Receipt Form."

Recovery support services provide funding directly to clients and include:

- Supplemental needs, including gas cards and wellness,
- Transportation, including bus passes,
- Drug screenings, and
- Sober living activities.

Transportation assistance in the form of gas cards may be given directly to the client on a weekly basis for the purpose of transportation to and from an activity related to a client's recovery. Gas cards may not be used solely for the purpose of transportation to and from work. According to the owner of CBH, Ms. Williams purchased the gas cards to be distributed to clients using her personal credit card. She then faxed copies of the receipts and a list of clients receiving gas cards to CBH staff to be reimbursed. CBH did not require Ms. Williams to submit original receipts for the gas card purchases. Based on our procedures, we determined Ms. Williams often removed the purchase dates from the receipts prior to submitting them for reimbursement. As illustrated by **Appendix 2**, the first receipt copy includes the purchase date of January 18, 2011; however, the purchase date has been removed from the other 2 receipt copies.

In addition, we determined the checks were often issued to Ms. Williams in advance of the actual purchase rather than as a reimbursement. Ms. Williams was also responsible for entering the gas cards provided to clients into the VMS and could provide gas cards to clients. Prior to issuing payment, CBH staff compared the list of clients submitted by Ms. Williams to the entries in the VMS to verify Ms. Williams' reimbursement claim. Provision of gas cards was also to be supported by the "Access to Recovery – Receipt Form."

Transportation assistance could also be provided in the form of bus passes for the local transit authority. According to the owner of CBH, Ms. Williams entered the clients receiving bus passes into the VMS on a monthly basis. Ms. Williams also obtained the bus passes from the local transit authority which billed the CBH main office directly for their purchase. Prior to issuing payment, CBH staff compared the clients entered into the VMS by Ms. Williams to the clients documented by Ms. Williams as receiving bus passes. However, CBH staff did not reconcile the number of clients listed to the number of bus passes purchased.

Drug screenings were performed to determine whether a client was using, or had used, alcohol or other drugs. A Des Moines treatment center employee collected the samples from the clients and submitted them to a toxicology lab for analysis. To encourage sobriety, clients received gift card incentives to various vendors, such as Walmart and Target, based on their number of consecutive negative drug screenings. Gift card incentives were to be supported by an "Access to Recovery – Receipt Form" and were distributed as follows:

- a \$5 gift card after 3 consecutive negative screenings,
- a \$10 gift card after 6 consecutive negative screenings,
- a \$15 gift card after 9 consecutive negative screenings, and
- a \$20 gift card after 12 consecutive negative screenings.

Similar to the gas cards, Ms. Williams purchased the gift card incentives using her personal credit card and received reimbursement from CBH. In addition, Ms. Williams entered the clients receiving drug screenings into the VMS. CBH was billed directly by the toxicology lab for the drug screening analysis and received a detailed invoice listing the clients for whom a drug screening was analyzed. Ms. Williams provided receipts and a list of clients receiving drug screenings to CBH staff when requesting reimbursement for the gift card incentives. However, CBH staff did not reconcile the clients listed by Ms. Williams to the clients listed on the invoice from the toxicology lab. As previously stated, as a result of our procedures, we determined Ms. Williams often removed the purchase dates from the receipts prior to submitting them and the checks were often issued to Ms. Williams in advance of the actual purchase rather than as a reimbursement.

Wellness includes assistance provided to clients for the purchase of goods and/or services supporting improved health. Examples include eye exams, the purchase of eyeglasses, and fitness memberships. Sober living activities include assistance provided to clients for participation in organized recreational or social events which promote sobriety, such as 12-step conferences, participation on a sports team, or attendance at an organized community recovery event. Based on our procedures, we determined the sober living activity provided to clients during the period reviewed was provision of admission tickets to a local theme park. Ms. Williams entered the clients receiving wellness or sober living activity assistance into the VMS, and CBH issued payment directly to the vendor. However, CBH staff did not reconcile the clients entered into the VMS to the clients for whom goods and/or services were purchased.

On May 21, 2013, the owner of CBH notified IDPH of suspected misuse of ATR funds at the Des Moines treatment center. As the result of an internal investigation, the CBH owner confronted Ms. Williams regarding the diversion of funds intended for patient services and products. According to the CBH owner, Ms. Williams admitted to using CBH funds for personal use and falsifying supporting documentation. IDPH conducted an on-site visit at the Des Moines treatment center on June 11, 2013 to substantiate the allegation and subsequently terminated the relationship with CBH.

As a result of the concerns identified during the on-site visit, IDPH requested the Office of Auditor of State review certain financial transactions processed by CBH. We performed the procedures detailed in the Auditor of State's report for the period January 1, 2011 through May 21, 2013.

Detailed Findings

These procedures identified \$130,556 of improper and unsupported reimbursements to CBH by IDPH under the ATR program. The \$108,639 of improper reimbursements identified consists of:

- \$55,060 of improper gas card reimbursements,
- \$12,676 of improper gift card incentive reimbursements,
- \$12,175 of improper wellness fee reimbursements,
- \$10,349 of improper bus pass reimbursements,
- \$4,426 of improper drug screening reimbursements,
- \$215 of improper sober living activity fee reimbursements, and
- \$13,738 of improper care coordination fees associated with the improper gas card, wellness fee, bus pass, and sober living activity fee reimbursements.

The \$21,917 of unsupported reimbursements identified includes:

- \$13,075 of gas card reimbursements,
- \$7,346 of bus pass reimbursements,
- \$975 of gift card incentive reimbursements, and
- \$521 of sober living activity fee reimbursements.

We are unable to determine if additional amounts were improperly reimbursed because adequate records were not available. All findings are summarized in **Exhibit A** and a detailed explanation of each finding follows.

IMPROPER AND UNSUPPORTED REIMBURSEMENTS

We obtained an electronic copy of the VMS from IDPH for the period January 1, 2011 through May 21, 2013. With the assistance of IDPH, we also obtained copies of the "Access to Recovery –

Receipt Form” from CBH for all gas cards, gift card incentives, bus passes, wellness fees, and sober living activity fees for each client for the period January 1, 2011 through May 21, 2013.

CBH staff performed an internal investigation after the initial concern was identified. CBH summarized the entries from the VMS and categorized them by type, such as gas cards, gift card incentives, and bus passes, and traced the clients entered to the “Access to Recovery – Receipt Form”. If no form could be located, the reimbursement was considered improper. CBH provided copies of the summaries prepared at the conclusion of its internal investigation. We used these summaries as the basis for our procedures.

Gas Cards – As previously stated, gas cards may be provided to clients on a weekly basis for transportation assistance. Ms. Williams purchased the gas cards using her personal credit card and submitted the receipts to CBH to receive reimbursement. Ms. Williams also entered all gas cards provided to clients into the VMS. Prior to issuing payment to Ms. Williams, CBH staff compared the list of clients provided by Ms. Williams to the clients entered into the VMS by Ms. Williams to verify the claim. Although an “Access to Recovery – Receipt Form” was required to be completed, these were retained at the Des Moines treatment center and were not reviewed by CBH staff.

We compared the summaries prepared by CBH to the copies of the “Access to Recovery – Receipt Form” obtained from CBH through IDPH. If a form could not be located, we consider the reimbursement to be improper. As a result, we identified \$55,060 of improper gas card reimbursements. **Table 1** summarizes the improper gas card reimbursements identified by fiscal year.

Fiscal Year	Amount
2011*	\$ 14,140
2012	33,780
2013^	7,140
Total	<u>\$ 55,060</u>

* - For the period 01/01/11 through 06/30/11.

^ - Through 05/21/13.

We also reviewed the 1,125 “Access to Recovery – Receipt Forms” obtained for completeness. As a result, we identified the following deficiencies:

- 274, or 24.36%, did not have the amount listed,
- 226, or 20.09%, were not dated by the Des Moines treatment center employee signing the form,
- 118, or 10.49%, were not signed or dated by a Des Moines treatment center employee,
- 92, or 8.18%, were not signed by a Des Moines treatment center employee,
- 63, or 5.6%, were not dated by the client signing the form,
- 39, or 3.47%, appeared altered after the form was signed,
- 4, or .36%, were not signed by the client, and
- 1, or .09%, was not signed or dated by the client.

We also determined 19 of the 1,125 forms reviewed were signed by the Des Moines treatment center receptionist and not Ms. Williams or a counselor. Of the 39 forms identified which

appeared altered, the client signature date had been whited out and written over on 30 forms, and the client signature date had been changed on 9 forms.

Several of the forms contained multiple deficiencies. Although certain deficiencies, such as an incomplete date, are considered relatively insignificant, we consider other deficiencies to be more significant. As shown in **Table 2**, we identified \$13,075 of gas card reimbursements we consider to be unsupported because of the lack of sufficient documentation on the required form. **Table 2** summarizes the unsupported gas card reimbursements by significant deficiency.

Description	Amount
No amount listed	\$ 8,320
No signature by an employee	3,655
Altered date	1,040
No signature by the client	60
Total	<u>\$ 13,075</u>

The \$55,060 of improper gas card reimbursements and the \$13,075 of unsupported gas card reimbursements are included in **Exhibit A**.

Gift Card Incentives – As previously stated, gift card incentives were given to clients for completing 3, 6, 9, and 12 drug screenings with negative results. Similar to gas cards, Ms. Williams purchased the gift cards using her personal credit card and submitted the receipts to CBH to receive reimbursement. Ms. Williams also entered all gift cards provided to clients into the VMS. Prior to issuing payment to Ms. Williams, CBH staff compared the list of clients provided by Ms. Williams to the clients entered into the VMS by Ms. Williams to verify the claim. Although an “Access to Recovery – Receipt Form” was required to be completed, these were retained at the Des Moines treatment center and were not reviewed by CBH staff.

We compared the summaries prepared by CBH to the copies of the “Access to Recovery – Receipt Form” obtained from CBH through IDPH. If a form could not be located, we consider the reimbursement to be improper. As a result, we identified \$12,676 of improper gift card incentive reimbursements. **Table 3** summarizes the improper gift card incentive reimbursements by fiscal year.

Fiscal Year	Amount
2011*	\$ 2,061
2012	7,740
2013^	2,875
Total	<u>\$ 12,676</u>

* - For the period 01/01/11 through 06/30/11.

^ - Through 05/21/13.

We also reviewed the 408 “Access to Recovery – Receipt Forms” obtained for completeness. As a result, we identified the following deficiencies:

- 80, or 19.61%, were not dated by the Des Moines treatment center employee signing the form,
- 33, or 8.09%, were not signed or dated by a Des Moines treatment center employee,

- 30, or 7.35%, appeared altered after the form was signed,
- 21, or 5.15%, were not dated by the client signing the form,
- 7, or 1.72%, were not signed or dated by the client, and
- 6, or 1.47%, were not signed by a Des Moines treatment center employee.

Of the 30 forms identified which appeared altered, the client signature date had been whited out and written over on several. We also determined 18 of the 408 forms had a significant difference between the date the client and/or the Des Moines treatment center employee signed the form and the date the provision of the gift card was recorded into the VMS. However, because a signed, complete form was located, the gift card incentive was considered to be proper. In addition, we identified 83 instances where multiple amounts were listed on the same form. For example, a \$5 gift card incentive for a negative drug screening and a \$20 gift card for completion of the follow-up interview were both listed as provided on the same form. As a result, we are unable to determine the timing of the client and employee signatures in relation to the distribution of the gift cards. It is possible a single gift card was distributed and additional amounts were added to the form subsequent to the application of the signatures. It is also possible no gift cards were provided to the client. We are unable to determine the actual distribution of the gift cards.

Several of the forms contained multiple deficiencies. Although certain deficiencies, such as an incomplete date, are considered relatively insignificant, we consider other deficiencies to be more significant. As shown in **Table 4**, we identified \$975 of gift card incentive reimbursements we consider to be unsupported because of the lack of sufficient documentation on the required form. **Table 4** summarizes the unsupported gift card incentive reimbursements by significant deficiency.

Description	Amount
Altered date	\$ 580
No signature by an employee	295
No signature by the client	100
Total	\$ 975

The \$12,676 of improper gift card incentive reimbursements and the \$975 of unsupported gift card incentive reimbursements are included in **Exhibit A**.

In addition, we obtained bank statements for the personal bank accounts held by Ms. Williams for the period January 1, 2011 through May 21, 2013 to identify the source of certain deposits. We also obtained a listing of checks issued to Ms. Williams by CBH. We were able to trace each reimbursement check issued by CBH to a deposit in Ms. Williams’ personal bank accounts.

Bus Passes – As previously stated, Ms. Williams entered the clients receiving bus passes into the VMS on a monthly basis. Ms. Williams obtained the bus passes from the local transit authority which billed the CBH main office directly for their purchase. Prior to issuing payment, CBH staff compared the clients entered into the VMS by Ms. Williams to the clients documented by Ms. Williams as receiving bus passes. However, CBH staff did not reconcile the number of clients listed by Ms. Williams to the number of bus passes purchased. In addition, although an “Access to Recovery – Receipt Form” was required to be completed, these were retained at the Des Moines treatment center and were not reviewed by CBH staff.

We compared the summaries prepared by CBH to the copies of the “Access to Recovery – Receipt Form” obtained from CBH through IDPH. If a form could not be located, we consider the reimbursement to be improper. As a result, we identified \$10,349 of improper bus pass reimbursements. **Table 5** summarizes the improper bus pass reimbursements by fiscal year.

Table 5

Fiscal Year	Amount
2011*	\$ 1,968
2012	6,366
2013^	2,015
Total	\$ 10,349

* - For the period 01/01/11 through 06/30/11.

^ - Through 05/21/13.

We also reviewed the 2,148 “Access to Recovery – Receipt Forms” obtained for completeness. As a result, we identified the following deficiencies:

- 350, or 16.29%, were not dated by the Des Moines treatment center employee signing the form,
- 133, or 6.19%, were not dated by the client signing the form,
- 75, or 3.49%, were not signed or dated by a Des Moines treatment center employee,
- 38, or 1.77%, were not signed by a Des Moines treatment center employee,
- 8, or .37%, appeared altered after the form was signed, and
- 3, or .14%, were not signed by the client.

Of the 8 forms identified which appeared altered, the client and/or the Des Moines treatment center employee date had been whited out and written over. In addition, we determined 32 forms completed prior to August 2012 did not have the amount listed. Beginning in August 2012, the majority of the forms were signed by a specific Des Moines treatment center counselor and not Ms. Williams. Based on a review of the forms, this employee never listed the amount of the bus pass provided. Because the significant number of incomplete forms would skew the results of the procedures, we did not quantify the percentage of forms which did not have the amount listed. We also determined 10 of the 2,148 forms reviewed were signed by the Des Moines treatment center receptionist and not Ms. Williams or a counselor. We are unable to determine why it was appropriate for the receptionist to sign the forms.

Several of the forms contained multiple deficiencies. Although certain deficiencies, such as an incomplete date, are considered relatively insignificant, we consider other deficiencies to be more significant. As shown in **Table 6**, we identified \$7,346 of bus pass reimbursements which we consider to be unsupported because of the lack of sufficient documentation on the required form. **Table 6** summarizes the unsupported bus pass reimbursements by significant deficiency.

Table 6

Description	Amount
No signature by an employee	\$ 5,272
No amount listed	1,536
Altered date	384
No signature by the client	154
Total	\$ 7,346

The \$10,349 of improper bus pass reimbursements and the \$7,346 of unsupported bus pass reimbursements are included in **Exhibit A**.

Wellness – As previously stated, wellness is assistance provided to clients for the purchase of goods and/or services supporting improved health. Ms. Williams entered the clients receiving wellness assistance into the VMS and sent letters to the vendor to inform them of the assistance amount authorized for the clients. CBH issued payment directly to the vendor. However, CBH staff did not reconcile the clients entered into the VMS to the clients for whom goods and/or services were purchased.

We sorted the electronic copy of VMS obtained from IDPH and identified 128 clients for whom “Supplemental Needs – Wellness” had been entered into the VMS by Ms. Williams. We compared the clients identified to the copies of the letters sent by Ms. Williams obtained from CBH through IDPH. As a result, we identified 72 clients for whom we were unable to locate a copy of a letter to support the claim. The resulting improper wellness fee reimbursements identified total \$12,011.

We also identified 6 clients for whom the amount claimed for wellness assistance exceeded the amount authorized, as documented in the letter sent by Ms. Williams. As a result, we identified \$164 of improper wellness fee reimbursements.

The total improper wellness fee reimbursements identified of \$12,175 are included in **Exhibit A**.

Sober Living Activities – As previously stated, sober living activities is assistance provided to clients for participation in organized recreational or social events which promote sobriety. Ms. Williams entered the clients receiving sober living activities assistance into the VMS, and CBH issued payment directly to the vendor. However, CBH staff did not reconcile the clients entered into the VMS to the clients for whom goods and/or services were purchased.

We sorted the electronic copy of VMS obtained from IDPH and identified 19 clients for whom “Sober Living Activities” had been entered into the VMS by Ms. Williams. We compared the clients identified to the copies of the “Access to Recovery – Receipt Form” obtained from CBH through IDPH. As a result, we identified 5 clients for whom we were unable to locate a form. The resulting improper sober living activity fee reimbursements identified total \$215.

We also reviewed the 14 “Access to Recovery – Receipt Forms” obtained for completeness. As a result, we identified the following deficiencies:

- 6, or 42.86%, for which the amount listed did not agree with the amount entered into the VMS,
- 4, or 28.57%, did not have the amount listed,
- 4, or 28.57%, were not signed or dated by a Des Moines treatment center employee,
- 4, or 28.57%, did not specify the number of tickets provided,
- 3, or 21.43%, were not dated by the Des Moines treatment center employee signing the form,
- 2, or 14.29%, were not signed or dated by the client, and
- 2, or 14.29%, were not dated by the client signing the form.

We also determined 6 of the 14 forms reviewed were signed by the Des Moines treatment center receptionist and not Ms. Williams or a counselor. We are unable to determine why it was appropriate for the receptionist to sign the forms.

Several of the forms contained multiple deficiencies. Although certain deficiencies, such as an incomplete date, are considered relatively insignificant, we consider other deficiencies to be more significant. As shown in **Table 7**, we identified \$521 of sober living activity fee reimbursements we consider to be unsupported because of the lack of sufficient documentation on the required form. **Table 7** summarizes the unsupported sober living activity fee reimbursements by significant deficiency.

Table 7

Description	Amount
Amount per form did not agree to the amount per the VMS	\$ 220
No amount listed	210
No signature by an employee	91
Total	\$ 521

The \$215 of improper sober living activity fee reimbursements and the \$521 of unsupported sober living fee activity reimbursements are included in **Exhibit A**.

Drug Screenings – As previously stated, drug screenings were performed to determine whether a client was using, or had used, alcohol or other drugs. A Des Moines treatment center employee collected the samples from the clients and submitted them to a toxicology lab for analysis. Ms. Williams entered the clients receiving drug screenings into the VMS. CBH was billed directly by the toxicology lab and received a detailed invoice listing the clients for whom a drug screening was analyzed. However, CBH staff did not reconcile the clients entered into the VMS by Ms. Williams to the clients listed on the detailed invoice received from the toxicology lab.

We determined 749 clients received drug screenings during the period reviewed. For certain clients, we obtained copies of the detailed invoices from the toxicology lab through IDPH and compared the number of drug screenings entered into the VMS by Ms. Williams to the number of drug screenings analyzed by the toxicology lab as listed on the detailed invoices. We initially selected 25 clients using a random number generator. However, we identified a significant number of clients for whom the number of drug screenings did not agree. As a result, we continued to expand our review. In total, we reviewed 5 groups of clients, 3 selected through a random number generator and 2 judgmentally selected. **Table 8** summarizes the number of clients tested, the number of clients with variances, and the variance percentage.

Table 8

Group	Clients Tested	Clients with Variances	Variance Percentage
1	25	13	52.00%
2	25	16	64.00
3	55	35	63.64
4	24	18	75.00
5	21	18	85.71
Total	150	100	66.67%

As illustrated by the **Table**, we identified a variance for 100 of the 150 clients tested. Of those:

- 64 clients had 127 fewer drug screenings administered per the toxicology lab than were entered into the VMS by Ms. Williams. Because the 127 drug screenings identified were not supported by an invoice from the toxicology lab, we consider the reimbursement for these drug screenings to be improper. The \$4,426 total identified is included in **Exhibit A** as improper reimbursements.
- 23 clients appeared to have significantly more drug screenings administered per the toxicology lab than were entered into the VMS by Ms. Williams. However, the invoices provided by the toxicology lab did not contain sufficient client detail to determine if all drug screenings listed were administered to the client selected

because client initials were used rather than complete names. As a result, if 2 clients had the same initials, we were unable to determine which client the invoice was referencing.

- 13 clients had more drug screenings administered per the toxicology lab than were entered into the VMS by Ms. Williams. However, because it is CBH’s responsibility to claim reimbursement for services provided, we did not net the value of the unclaimed drug screenings against the improper drug screenings identified.

Because we identified improper drug screening reimbursements for 64 of the 150 clients tested, or 42.67%, there is no reason to believe additional improper drug screening reimbursements do not exist. However, it was cost prohibitive to obtain the detailed invoices from the toxicology lab for all 749 clients who reportedly received drug screenings.

Care Coordination – According to IDPH personnel, ATR providers are allowed to claim a care coordination fee as compensation for administration of the ATR program. Specifically, Ms. Williams entered a care coordination fee into the VMS for time spent providing gas cards, bus passes, wellness assistance, sober living activities assistance, and drug screenings. During the period reviewed, the care coordination fee ranged from \$8 to \$10 per encounter.

We reviewed the electronic copy of the VMS obtained from IDPH to determine if we could identify care coordination fees associated with the improper reimbursements identified. If a care coordination fee was entered and no service other than an improper reimbursement was provided that day, we consider the care coordination fee to be an improper reimbursement. **Table 9** summarizes the improper care coordination fees identified by fiscal year for the different categories of improper reimbursements identified. The total of \$13,738 is included in **Exhibit A** as improper reimbursements.

Table 9

Improper Reimbursements Identified					
Fiscal Year	Gas Cards	Bus Passes	Wellness Fees	Sober Living Activity Fees	Total
2011*	\$ 2,416	446	24	-	2,886
2012	7,424	1,130	238	-	8,792
2013^	1,390	320	300	50	2,060
Total	\$ 11,230	1,896	562	50	13,738

* - For the period 01/01/11 through 06/30/11.

^ - Through 05/21/13.

Recommended Control Procedures

As part of our investigation, we reviewed the procedures used by the Iowa Department of Public Health and the Center for Behavioral Health to process expenditures. An important aspect of internal control is to establish procedures which provide accountability for assets susceptible to loss from error and irregularities. These procedures provide the actions of one individual will act as a check on those of another and provide a level of assurance errors or irregularities will be noted within a reasonable time during the course of normal operations. Based on our findings and observations detailed below, the following recommendations are made to strengthen internal controls at both IDPH and CBH.

- A. Segregation of Duties – An important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. The former Executive Director of the Des Moines treatment center had control over the following:
- (1) Entering client encounters into the VMS,
 - (2) Submitting the list of clients to CBH staff,
 - (3) Preparing and signing the “Access to Recovery – Receipt Form”, and
 - (4) Purchasing gas cards and gift cards to be distributed to clients.

In addition, for payments issued directly to the vendors for the purchase of goods and/or services, CBH staff did not perform an independent reconciliation of the invoice received from the vendor to the client listings prepared by Ms. Williams.

Recommendation – IDPH should ensure subrecipients implement procedures to segregate duties to the extent possible. In addition, IDPH should ensure independent reconciliations are performed for claim information submitted.

- B. Supporting Documentation – CBH did not require Ms. Williams to submit original receipts for the reimbursement of gas cards and gift cards purchased. In addition, we identified numerous instances where the “Access to Recovery – Receipt Forms” were incomplete, including not documenting the amount of the goods and/or services provided, a lack of signatures by the client and/or a Des Moines treatment center employee, and the lack of a date by the client and/or a Des Moines treatment center employee.

Recommendation – IDPH should ensure subrecipients require original invoices to support expenditures for the purchase of goods and/or services for the ATR program. In addition, IDPH should ensure subrecipients implement procedures to ensure the “Access to Recovery – Receipt Forms” are properly completed. IDPH should implement procedures to ensure such documentation is periodically reviewed as part of its subrecipient monitoring procedures.

Exhibit

Report on Special Investigation of the
Center for Behavioral Health

Summary of Findings
For the Period January 1, 2001 Through May 21, 2013

Description	Table/ Page	Improper	Unsupported	Total
Improper and unsupported reimbursements:				
Gas cards	Page 9	\$ 55,060	13,075	68,135
Gift card incentives	Page 10	12,676	975	13,651
Bus passes	Page 11	10,349	7,346	17,695
Wellness fees	Page 12	12,175	-	12,175
Sober living activity fees	Page 13	215	521	736
Drug screenings	Page 13	4,426	-	4,426
Care coordination fees	Table 9	13,738	-	13,738
Total improper and unsupported reimbursements		\$ 108,639	21,917	130,556

Report on Special Investigation of the
Center for Behavioral Health

Staff

This investigation was performed by:

Annette K. Campbell, CPA, Director
Jennifer Campbell, CPA, Manager
Todd E. Pudenz, CPA, Staff Auditor



Tamera S. Kusian, CPA
Deputy Auditor of State

Appendices

**Report on Special Investigation
of the
Center for Behavioral Health**

Report on Special Investigation of the
Center for Behavioral Health

Copy of the "Access to Recovery – Receipt Form"

Access to Recovery - Iowa
Provider Manual: September 2011

Appendix L

Access to Recovery – Receipt Form

I, _____ (client name)

acknowledge the receipt of:

- Drug Testing Gift Card
- GPRA Follow Up Gift Card
- Supplemental Needs: _____
- Sober Living: _____
- Transportation (Bus/Cab): _____
- Other: _____

from _____ (ATR provider organization name) in the

amount of _____.

If applicable, I must provide documentation or receipt of goods or services and will provide that

documentation or receipt by _____ (date)

Clients who do not provide accurate documentation or receipts and/or who purchase unauthorized goods or services will not receive additional services for which the receipt was not provided and may be determined ineligible for participation in ATR. In addition, IDPH reserves the right to collect reimbursement for the misused funding directly from the client.

Client Signature: _____

Date: _____

Parent/Guardian Signature: _____
(if applicable)

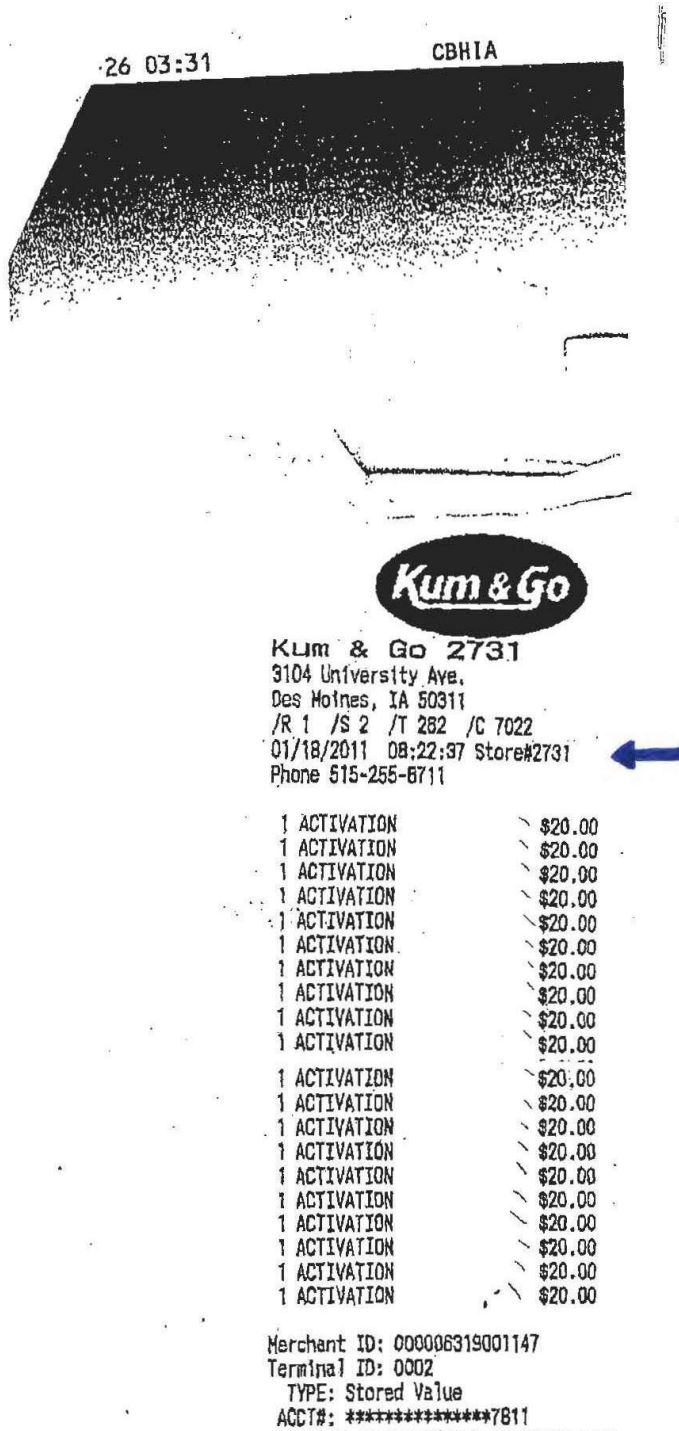
Date: _____

Provider / Witness Signature: _____

Date: _____

Report on Special Investigation of the
Center for Behavioral Health

Copies of Receipts for Gas Card Purchases from Kum & Go



Report on Special Investigation of the
Center for Behavioral Health

Copies of Receipts for Gas Card Purchases from Kum & Go

20 21:37

CBHIA

1 >>

208 367 9447 P 4/7



Kum & Go 2731
3104 University Ave.
Des Moines, IA 50311
/R 1 /S 2 /T 22 /C 7022

Phone 515-255-8711

1 ACTIVATION	\$20.00
1 ACTIVATION	\$20.00
1 ACTIVATION	\$20.00
1 ACTIVATION	\$20.00
1 ACTIVATION	\$20.00
1 ACTIVATION	\$20.00
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1 ACTIVATION	\$20.00

merchant ID: 000006319001147



Kum & Go 2731
3104 University Ave.
Des Moines, IA 50311
/R 1 /S 2 /T 6 /C 7022

Phone 515-255-8711

1 ACTIVATION	\$20.00
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1 ACTIVATION	\$20.00
1 ACTIVATION	\$20.00
1 ACTIVATION	\$20.00
1 ACTIVATION	\$20.00
1 ACTIVATION	\$20.00
TOTAL	\$300.00
DEBIT	\$300.00