

Arizona Department of Economic Security Division of Developmental Disabilities

CONCLUSION: The Arizona Department of Economic Security’s Division of Developmental Disabilities (Division) provides diverse services to individuals with developmental disabilities, called “members,” based on their eligibility and regulates service providers and community residential settings, including child and adult developmental homes that provide 24-hour care for its members. The Division primarily relies on contractors, called monitoring agencies, to help fulfill its statutory responsibilities to license developmental homes and monitor them for compliance with administrative rules. We found that although monitoring agencies complete the Division’s qualified vendor process, this process may not ensure that monitoring agencies and their staff are qualified to fulfill their responsibilities. Additionally, the Division lacks a process for overseeing its monitoring agencies due to several factors, including not clearly defining monitoring agencies’ responsibilities and requirements and lacking policies and procedures that direct oversight activities. Therefore, the Division should establish minimum qualification requirements for its monitoring agencies and take several steps to establish a process for overseeing them.

Division serves individuals with developmental disabilities and regulates service providers and community residential settings

As of December 2016, the Division provided services to more than 38,000 members. To be eligible for division services, the primary requirement is that the member must have a severe, chronic disability that is attributable to a cognitive disability, cerebral palsy, epilepsy, or autism. All members receive case management services, and the Division offers various other services to members depending on whether the severity of their disability and their or their family’s financial limitations make them eligible for these services, including: home- and community-based services, such as housekeeping, occupational therapy, and hospice care; medical care services; and residential services. In addition, the Division is responsible for helping to regulate community residential settings, including licensing child and adult developmental homes, which are private homes where the homeowner(s) or lessee(s) are licensed to provide 24-hour care for up to three members residing in the home.

Division should establish minimum qualifications for contractors that train and monitor developmental home licensees

Division uses contractors to oversee developmental home licensees—The Division uses contractors, called monitoring agencies, to help ensure that developmental home licensees meet administrative rule requirements for licensure and annual license renewal by ensuring the applicant(s)/licensee(s) receive the required training and by conducting the required home visits. Monitoring agencies also conduct comprehensive evaluations of developmental home applicants/licensees each year, called home studies, which cover 24 diverse areas including any experience that supports working with vulnerable populations, employment, and the stability of family relationships; and make recommendations to the Division for issuing and renewing the developmental home licenses. Monitoring agency applicants must contract with the Division as a qualified vendor and meet various requirements, such as submitting to a Central Registry background check through the Arizona Department of Child Safety that looks for substantiated instances of child abuse and/or neglect and submitting internal policies for division review. As of May 2017, the Division contracted with 40 monitoring agencies that worked with more than 1,100 licensed child and adult development homes serving more than 1,400 members.

Division lacks basic qualification requirements for monitoring agencies—Division staff indicated that the qualified vendor process does not require monitoring agency applicants or their staff to meet any initial minimum education or experience requirements or to subsequently complete annual training requirements. By not requiring monitoring agencies’ staff to meet any basic qualification requirements, some monitoring agencies may have difficulty adequately fulfilling key responsibilities. For example, one monitoring agency we reviewed submitted two incomplete initial and two incomplete renewal developmental home license applications during April through June 2017. Missing

information included available phone service in the home, documentation of the licensee completing the required training hours, and important details in home studies. Division staff indicated that, similar to our review, some other monitoring agencies have demonstrated repeated difficulty completing the annual home study. As a result, the Division may be at risk for not receiving a comprehensive and accurate assessment of the developmental home licensees' qualifications and/or the homes where its members reside.

Division should establish minimum qualification requirements for monitoring agencies—To better ensure that monitoring agencies are qualified to help developmental home applicants meet licensure requirements and ensure their continued compliance with these requirements, the Division should establish minimum qualification requirements for monitoring agency applicants and, as applicable, their staff. Specifically, the Division should establish and coordinate a work group to develop specific education and/or experience requirements and annual training requirements for monitoring agencies and their staff.

Recommendation

The Division should establish and coordinate a work group to develop minimum qualification and annual training requirements for monitoring agency applicants and their staff, and should develop and implement a policy that incorporates these requirements.

Division lacks process for overseeing its contractors that train and monitor developmental home licensees

Division does not conduct oversight activities of monitoring agencies—The Division issues and renews developmental home licenses based largely on the information that the monitoring agencies enter into the Division's licensing database. Monitoring agencies enter information into this database, such as home visit details, home study information, and licensee training information, to help document that developmental home applicants and licensees have complied with and remain in compliance with licensing requirements. However, the Division does not verify the accuracy of this information by conducting onsite visits to observe monitoring agency activities or by reviewing supporting documentation. Additionally, the Division does not generate database reports to track and analyze whether monitoring agencies fulfill all contractual requirements adequately and in a timely manner. Further, the Division does not regularly take enforcement actions, including using corrective action plans, to address monitoring agencies' performance issues. We reviewed licensee files at three monitoring agencies and identified examples of how the Division's lack of oversight may affect its ability to ensure member welfare. For example, one monitoring agency lacked signed documentation to support that it had conducted any of the required home visits that it entered in the Division's licensing database prior to a developmental home's most recent license renewal. Another monitoring agency had not conducted an unannounced visit at a developmental home licensee as required by administrative rule before recommending that the Division renew this developmental home's license.

Division lacks process for overseeing its monitoring agencies for several reasons—The Division does not have a process for overseeing its monitoring agencies because of several factors. These include not clearly defining monitoring agencies' responsibilities and requirements in its qualified vendor agreement, providing limited standardized guidance to the monitoring agencies on fulfilling these requirements, and not establishing policies and procedures for overseeing monitoring agencies.

Therefore, the Division should clearly define the monitoring agencies' responsibilities in its qualified vendor agreement, develop and provide standardized forms and other guidance to assist monitoring agencies in fulfilling these responsibilities, and develop and implement policies and procedures for overseeing the monitoring agencies.

Recommendations

The Division should:

- Develop and implement a policy that clearly defines monitoring agency roles, responsibilities, and requirements, and incorporate the policy into its qualified vendor agreement;
- Develop and provide standardized guidance to assist monitoring agencies in performing their responsibilities; and
- Develop and implement policies and procedures to guide and direct its staff in conducting oversight activities of its contracted monitoring agencies.