



DEPARTMENT OF ECONOMIC SECURITY

Your Partner For A Stronger Arizona

Douglas A. Ducey
Governor

Michael Traylor
Director

SEP 18 2017

Ms. Debra K. Davenport, Auditor General
Office of the Auditor General
2910 North 44th Street, Suite 410
Phoenix, Arizona 85018

Dear Ms. Davenport,

The Arizona Department of Economic Security (ADES) appreciates the opportunity to provide a response to the Performance Audit of the Division of Developmental Disabilities (DDD) conducted by your office that was received on September 6, 2017. The Department is committed to continuous quality, improvement, transparency, and accountability.

Enclosed is the Department's response to your findings and recommendations. We look forward to sharing our progress in implementing these recommendations.

Sincerely,

Michael Traylor
Director

Enclosures: ADES/DDD Performance Audit

Finding 1: Division should establish minimum qualifications for contractors that train and monitor developmental home licensees

Recommendation 1.1: The Division should establish minimum qualification and annual training requirements to help ensure monitoring agency applicants and, as applicable, their staff are and remain qualified to fulfill their responsibilities. Specifically, the Division should establish and coordinate a work group to develop minimum qualification and annual training requirements for monitoring agency applicants and staff. The Division's work group should:

Recommendation 1.1a: Include personnel from the Division's contracting, licensing, and quality assurance units as well as representatives from various external stakeholder groups, such as representative(s) from the Division's member population, guardian/family members, monitoring agency staff, and child and adult developmental home licensees;

Department Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Division agrees and will establish minimum qualifications and standards for monitoring agencies to standardize the qualified workforce to support members in developmental homes. A work group including stakeholders will be chartered to address these recommendations.

Recommendation 1.1b: Study and identify effective minimum initial qualifications, such as specific education and/or experience requirements for monitoring agency applicants and staff; and

Department Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Division agrees that minimum qualifications for monitoring agency staff should be established in effort to standardize the qualified workforce to support members in developmental homes. The workgroup will study and identify effective minimum qualifications for monitoring agency applicants and staff. The group members will share ideas from their own work experience or education in the field of developmental disabilities. The workgroup will also research current trends and best practices incorporated by other social service entities both within Arizona and in other states.

Recommendation 1.1c: Study and identify annual training requirements for monitoring agency staff.

Department Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: In order to ensure best practices for service delivery to Division members, the workgroup will identify effective annual training requirements for monitoring agency staff. The workgroup members will share ideas from their own work or education in the field of developmental disabilities. The workgroup will also research current trends and best practices incorporated by other social service entities both within Arizona and in other states.

Recommendation 1.2: After the work group has identified minimum qualification and annual training requirements for monitoring agency applicants and their staff, to help ensure monitoring agencies are aware of and meet these requirements, the Division should develop and implement a policy that incorporates these new requirements.

Department Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: Once the workgroup has identified minimum qualification and training requirements for monitoring agency staff, the DDD provider manual will be updated to reflect the requirements.

Recommendation 1.3: The Division should revise its qualified vendor agreement documentation to reflect its policy and ensure that monitoring agency applicants and their staff meet these requirements.

Department Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: Once the workgroup has identified effective qualification and training requirement for monitoring agency staff, the qualified vendor agreement will be updated to reflect the requirements.

Finding 2: Division lacks process for overseeing its contractors that train and monitor developmental home licensees

Recommendation 2.1: The Division should take several steps to establish a process for overseeing its contracted monitoring agencies. Specifically, the Division should:

Recommendation 2.1a: Develop and implement a policy that clearly defines monitoring agency roles, responsibilities, and requirements, including the requirements for conducting the “annual home visit” and the “monitoring visits”;

Department Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The provider manual will be updated to clearly define the roles and responsibilities of the monitoring agency. It will clarify ongoing monitoring, the role of the monitoring agency in the pre-licensure process, member placement, investigations, and all other aspects of the licensing process.

Recommendation 2.1b: Specify in its policy the type of records monitoring agencies must maintain to document their activities;

Department Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Division has assembled a partial listing of documents that monitoring agencies should maintain to ensure licensing compliance; it will finalize this

list of documents. Currently, when agencies submit a license application, they also submit an “Agency Statement of Acknowledgement” which affirms that the agency has specified documentation on file. While agencies cooperate with the Division in this process, it will be more clearly defined through the use of the provider manual or in policy.

Recommendation 2.1c: Ensure that the responsibilities and requirements established in its policy are incorporated in its qualified vendor agreement; and

Department Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: Once the policies associated with developmental home monitoring are clarified, the qualified vendor agreement will be updated.

Recommendation 2.1d: Ensure that the responsibilities and requirements specified in the various qualified vendor agreement documents are internally consistent and reflect actual practice where appropriate.

Department Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Division will continue to review to ensure that the responsibilities and requirements specified in the various qualified vendor agreement documents are internally consistent and reflect actual practice where appropriate.

Recommendation 2.2: To assist monitoring agencies in performing their responsibilities, the Division should:

Recommendation 2.2a: Develop and provide standardized guidance, including a checklist that would help facilitate a standard and consistent approach for the required home visits; and

Department Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Division will either develop a standardized monitoring tool to be used by all developmental home monitoring agencies or establish a checklist for monitoring agencies to use to develop their own monitoring tool for home visits.

Recommendation 2.2b: Develop and/or provide additional guidance for monitoring agencies to help ensure they submit more complete information for the home study in an effort to reduce division requests for additional information.

Department Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Division currently provides technical support seminars several times per year on the home study process. The Division will continue to schedule these seminars and in addition will revise existing technical assistance documents to provide additional guidance on the required components of a home study. Additionally, new licensing workers, who request Quick Connect access, will be tracked to monitor

volume of new licensing workers and establish timelines for each completing this seminar. Additional ad hoc technical assistance meetings will be scheduled for agencies with higher add rates of new licensing workers.

Recommendation 2.3: The Division should enhance the guidance and/or resources it provides to monitoring agencies to help ensure they provide appropriate training to licensees. Specifically, the Division should develop and provide guidance, such as suggested course curricula or outlines of course content, which could include applicable laws/regulations and best practices, for its list of training topics. Additionally, the Division should develop guidance regarding fundamental content that must be covered in specific training topics for licensees and/or provide training materials to assist monitoring agencies to deliver trainings or make referrals to other resources, such as recognized adult learning experts, that could help monitoring agencies develop and deliver effective and appropriate trainings to licensee.

Department Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Division has already taken steps to implement this recommendation. Developmental home licensing is governed by A.A.C. R6-6-1001 et. seq and R6-6-1101 et. seq. Both are currently under revision. The new proposed rules contain a more specific list of training topics for licensees. The Division will provide written guidance regarding the specific content that must be covered within each topic. All Qualified Vendors are required to have training resources either internally or externally for all required training.

Recommendation 2.4: The Division should develop and implement policies and procedures to guide and direct its staff in conducting oversight activities of its contracted monitoring agencies. These policies and procedures should:

Recommendation 2.4a: Identify the various oversight activities division staff should perform and how these activities should be performed. Oversight activities should include conducting onsite visits, reviewing monitoring agencies' hardcopy files, and/or requesting supporting documentation, which may include electronic signatures/acknowledgements, to verify information monitoring agencies enter into the Division's database. The Division should also review monitoring agency supporting documentation for home visits to help ensure these visits were completed in accordance with rule and qualified vendor agreement requirements. For example, once the Division clearly defines the requirements of the "annual home visit" and the "monitoring visits" in the qualified vendor agreement, it should ensure that monitoring agencies meet these requirements by either conducting onsite visits, reviewing monitoring agencies' hardcopy files, and/or requesting and reviewing supporting documentation. In addition, the Division should review a sample of monitoring agency documentation for trainings provided to licensees to help ensure the training is appropriate given the needs of the licensees and the members;

Department Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Division will establish monitoring procedures and allocate monitoring staff for the oversight of the developmental home vendor agencies. Monitoring staff will conduct site visits at regular intervals. Site visits will include reviews

of copy licensing files (hard copy or digital) and monitoring reports from the agency monitoring visits.

Recommendation 2.4b: Direct how information in the division database should be reported and used, including the development of management reports. Specifically, the Division should require its monitoring agencies to enter information into the database fields in such a way as to facilitate the Division's ability to generate timely, accurate, and useful reports of monitoring agencies' activities. The Division should then develop and generate management reports that provide information on monitoring agency activities, such as whether monitoring agencies are timely in completing unannounced home visits, whether home visits are conducted with an appropriate frequency during the license renewal year, and whether licensee training is completed in a timely manner. Finally, the Division should ensure that its policies and procedures include the requirement and process for generating and reviewing these reports; and

Department Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The current licensing database does not have the ability to generate reports on either the timeliness or the quality of monitoring visits. Quick Connect is a licensing database that was created around 2006 and is shared with Department of Child Safety (DCS). The Division may consider replacing Quick Connect in the future. In the interim, DES will work with DCS to request an enhancement to Quick Connect to develop monitoring reports.

Recommendation 2.4c: Require the use of corrective action plans or other appropriate enforcement actions when the Division identifies deficiencies in monitoring agencies' activities. For example, when the Division discovers instances of poor performance among its contracted monitoring agencies, it should require that monitoring agencies develop and implement corrective action plans that would identify how the monitoring agency plans to correct deficiencies, timelines for correction, and any potential training needs. In addition, the Division's policies and procedures should ensure that monitoring agencies respond in a timely manner to a division request for corrective action. For example, the policies and procedures should direct division staff to conduct onsite visits to verify corrective action, or require monitoring agencies to provide progress reports by established time frames. In addition to using corrective action plans, the Division should require the use of other appropriate enforcement actions. These might include implementing a probationary period with increased division supervision or canceling qualified vendor agreements with monitoring agencies that continually fail to adequately complete their required responsibilities after other available remedies were not successful.

Department Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Division will expand its use of corrective action plans and other enforcement actions to ensure compliance with corrections of deficiencies and will outline vendor requirements in policy, the provider manual, and/ or in the qualified vendor agreement.