

**State of Hawaii  
Department of Health  
Developmental Disabilities Division  
Waiver Provider Standards Manual**



**DDD Provider Training**



**FISCAL ACCOUNTABILITY**

# Fiscal Audit is a CMS Requirement



CMS REQUIRES POST-PAYMENT REVIEWS TO ENSURE FINANCIAL ACCOUNTABILITY.



FINANCIAL ACCOUNTABILITY IS ONE OF THE SIX (6) MANDATORY ASSURANCES THAT THE STATE MUST DEMONSTRATE COMPLIANCE.

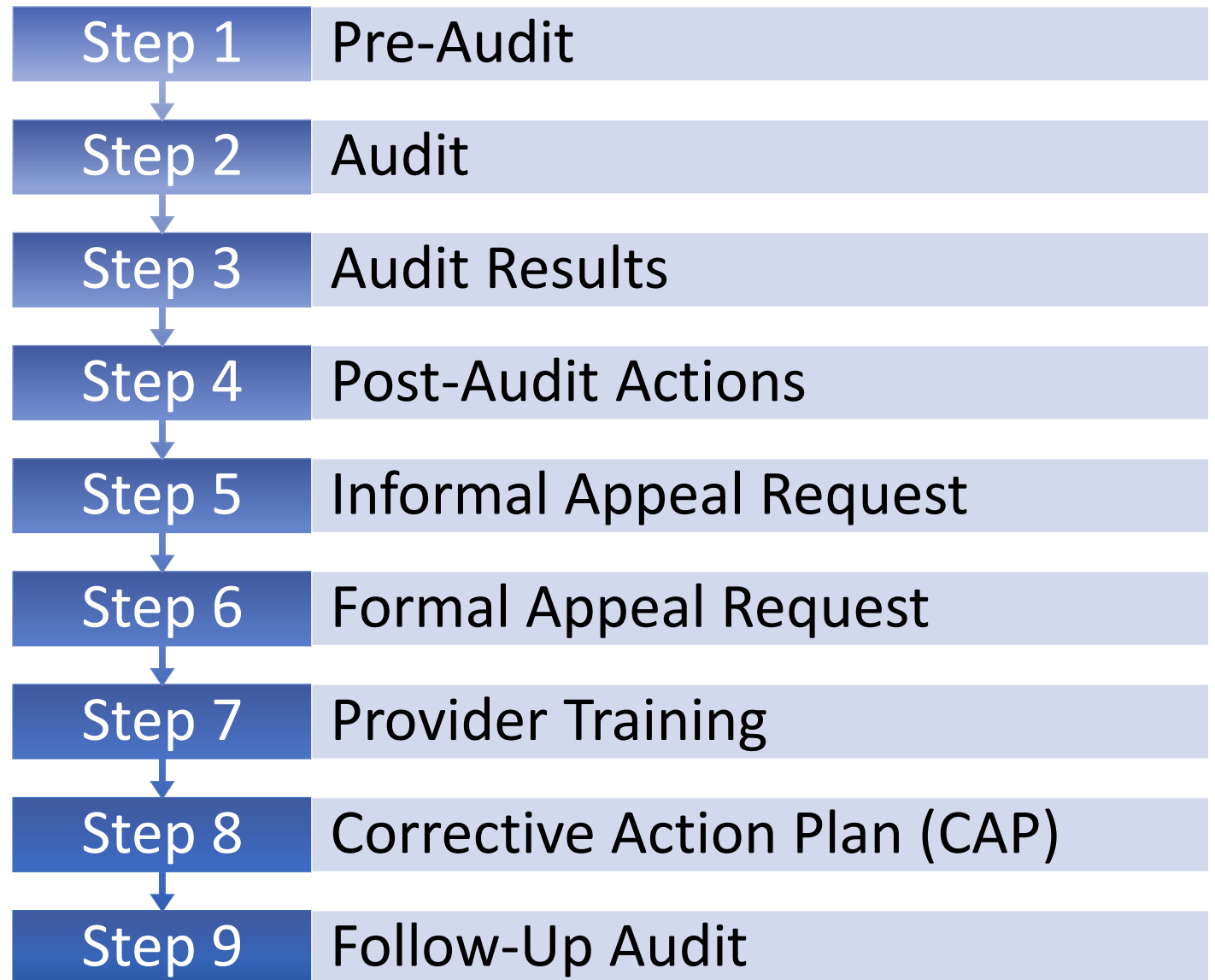


AN ANNUAL FISCAL AUDIT IS CONDUCTED TO ENSURE COMPLIANCE.



STATES MUST CONDUCT ANNUAL FISCAL AUDIT AND REGULAR REPORTING TO CMS TO ENSURE THAT SERVICES ARE RENDERED, AND CLAIMS ARE CODED CORRECTLY AND BILLED APPROPRIATELY.

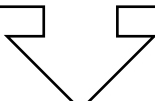
# Fiscal Audit Process



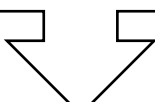
# Step 1: Pre-Audit

# Pre-Audit

DDD Fiscal Section will send an audit notification letter to the Provider thirty (30) calendar days prior to the scheduled audit date.



The audit notification letter specifies whether the audit will be done on-site or by desk audit and provide instructions regarding the audit.



The Provider will send the name and telephone number of a contact person for the audit, as well as a secured email address to the DDD Fiscal Section prior to the audit date.

# Pre-Audit

## *Audit Notification Letter will contain:*

- Fiscal Audit Period
- Fiscal Audit Method (Site Audit/Desk Audit)
- Instructions on how to submit required documents for fiscal audit
- Deadline for document submission
- Contact information for document submission
- Instructions on how you will receive the list of participants to be audited
- The fiscal audit checklist will be sent with the audit notification letter to assist the Provider with organizing and gathering the required service documents for the fiscal audit.

**Department of Health  
Developmental Disabilities Division  
Fiscal Audit Checklist**

Provider Name: \_\_\_\_\_ Participant Name: \_\_\_\_\_

Fiscal Audit Date: \_\_\_\_\_ Fiscal Audit Period: \_\_\_\_\_

Waiver Service: \_\_\_\_\_ Direct Support Worker: \_\_\_\_\_

Please utilize the following checklist to ensure sufficient documentation is presented and ready for inspection by the DDD Fiscal Section. (Please refer to the Waiver Standards Manual - 3.7 Fiscal Accountability for documentation requirements.) Copies of all supporting documents must be submitted to the DDD Fiscal Section by 3:00 pm on the day of the fiscal audit.

# Fiscal Audit Checklist Sample

<b>1.0</b>	<b>Individualized Service Plan (ISP) (ISP must cover the fiscal audit period. More than one ISP may be needed.)</b>	
<b>1.1</b>	<input type="checkbox"/>	Participant Name
<b>1.2</b>	<input type="checkbox"/>	Authorized Service(s), Level, Ratio, and Units
<b>1.3</b>	<input type="checkbox"/>	Authorized Start and End Date of Waiver Service(s)
<b>2.0</b>	<b>Participant Attendance Log (Service documentation must contain seven (7) data elements.)</b>	
<b>2.1</b>	<input type="checkbox"/>	Participant Name
<b>2.2</b>	<input type="checkbox"/>	Date(s) of Service Provided
<b>2.3</b>	<input type="checkbox"/>	Time of Service Provided (Start time and End time)
<b>2.4</b>	<input type="checkbox"/>	Type and Level of Service
<b>2.5</b>	<input type="checkbox"/>	Staff to Participant Ratio
<b>2.5</b>	<input type="checkbox"/>	Name and Signature of Direct Support Worker
<b>2.7</b>	<input type="checkbox"/>	Name and Signature of Service Supervisor

I certify the information provided is accurate and correct to the best of my knowledge.

Provider Staff Signature \_\_\_\_\_ Print Name \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

## Step 2: Audit



# Audit

- Fiscal audits will be done annually. Additional audits may be performed during the year if needed.
- The Participant list will be provided the day of the audit via email to the Provider's contact person on the morning of the audit date.
- Fiscal audit period will cover three (3) consecutive months, six (6) months prior to the month the audit is conducted. For example, see table:

Audit Date	Fiscal Audit Period
8/1/2020	2/1/2020 – 4/30/2020
1/15/2021	7/1/2020 – 9/30/2020

# Audit (continued)

The Provider will have until 3:00 P.M. to produce copies of the required documents.

All documents submitted after 3:00 P.M. on the audit date is considered late and will not be considered towards the initial audit.

Documents submitted by mail for desk audit must be postmarked no later than the audit date. DDD Fiscal Section will call after 3:00 P.M. to confirm the number of pages submitted for fax and email submissions.

Please do not send your original documents.

# Service Documentation Requirements

Providers must have a system in place to ensure all service documentation meets the service documentation requirements, and substantiate that the services were rendered, and claims were coded correctly and billed appropriately.

The Provider will submit 2 sets of documents for each participant on the participant list:

1. Individualized Service Plan (ISP)
  - ✓ Approved ISP must cover the entire fiscal audit period. Multiple ISPs may be needed to cover the entire fiscal audit period.
2. Participant Attendance Log
  - ✓ Service documentation must contain seven (7) data elements to verify services were rendered and claims were coded correctly and billed appropriately.
  - ✓ Hard copy or electronic document submitted must contain the following seven (7) data elements:
    - 1) Participant name
    - 2) Date(s) of service provided
    - 3) Time of service provided (Start time and End time)
    - 4) Type and level of service (ex: ADH Tier 1)
    - 5) Staff to participant ratio
    - 6) Name and signature of direct support worker delivering the service
    - 7) Name and signature of service supervisor verifying the service and information above

Note: A participant attendance log outside the audit period may be necessary to complete the audit. If you file claims weekly for example from April 25 to May 1, DDD Fiscal Section may request the claims submitted for May 1.

# Step 3: Audit Results

# Audit Results

- The Audit Rating letter will indicate the Provider's compliance score and rating based on their audit results.
- The table shows the 3 possible rating outcomes:

Score	Rating
100%	Fully Compliant
86% to less than 100%	Substantially Compliant
Below 86%	Not Compliant

# Step 4: Post Audit Actions

# Post-Audit Actions

- The audit report and letter will be sent indicating the Provider's rating within thirty (30) calendar days of the audit date. If funds are to be recouped, a recoupment letter will be sent as well.
- The table shows the provider's action requirements, if any, based on the rating the provider receives after the audit.

Rating	Type of Report/Letter	Provider Action Requirements
Fully Compliant (100%)	<ul style="list-style-type: none"> <li>• Audit Report</li> <li>• Fully Compliant Letter</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>
Substantially Compliant (86% to less than 100%)	<ul style="list-style-type: none"> <li>• Audit Report</li> <li>• Substantially Compliant Letter</li> <li>• Recoupment Letter</li> </ul>	<ul style="list-style-type: none"> <li>• Appeal request options available to submit additional support documents.</li> </ul>
Not Compliant (Below 86%)	<ul style="list-style-type: none"> <li>• Audit Report</li> <li>• Not-compliant Letter</li> <li>• Recoupment Letter</li> </ul>	<ul style="list-style-type: none"> <li>• Review Waiver Provider Fiscal Accountability Training video posted on the DOH/DDD website and submit Corrective Action Plan (CAP).</li> <li>• Appeal request options available to submit additional support documents.</li> </ul>

# Step 5: Informal Appeal Request



# Informal Appeal Request

- An Informal appeal option is available to providers with an audit score less than 100% to allow Providers to submit applicable ISP(s) and/or participant attendance log(s) that was not provided on the audit date.
- The Provider will submit additional supporting documents along with a written informal appeal request within fourteen (14) calendar days from the date on the initial audit report to:
  - Department of Health
  - Developmental Disabilities Division, Fiscal Section
  - 3627 Kilauea Avenue, Room 104
  - Honolulu, HI 96816
- An informal appeal request received after fourteen (14) calendar days from the date on the initial audit report will not be accepted.

# Informal Appeal Request (continued)

- If a written informal appeal request along with support documents is not submitted within fourteen (14) calendar days from the date indicated on the initial audit report, a recoupment letter will be initiated and sent.
- If the support documents are determined by the DDD Fiscal Section to meet the requirements, the Provider will receive a written response to the informal appeal request and an adjusted recoupment letter will be sent.
- If the supporting documents is determined by the DDD Fiscal Section as not meeting the requirements, the Provider will receive a written review of informal appeal letter and a recoupment letter.
- Note: Initial compliance rating and audit score will remain unchanged.
  - Remember it is important to ensure all records are readily available, current, and organized.

# Step 6: Formal Appeal Request

# Formal Appeal Request

- Formal appeal requests are conducted by the Department of Human Services (DHS).
- The Provider will submit a request in writing within thirty (30) calendar days from the date of the latest Recoupment Letter audit report to:

Administrative Appeals Office  
Department of Human Services  
P.O. Box 339  
Honolulu, HI 96809

- The Provider must follow the formal appeal request instructions provided by DHS.
- Based on the formal appeal decision, the Provider may receive a final determination letter from DHS.

# Step 7: Provider Training

## Provider Training

Providers with a Not Compliant rating (below 86%) must review this training video prior to creating a CAP.

Training video is available to all Providers on our website.

# Step 8: Corrective Action Plan (CAP)

## Corrective Action Plan (CAP)

To assist the Provider to  
meet necessary  
document  
requirements indicated  
in 3.7-A.

- Providers with a Not Compliant audit rating (below 86%) must submit a Corrective Action Plan (CAP) to the DDD Fiscal Section within fourteen (14) calendar days from the date indicated on the latest recoupment letter.
- Providers that do not submit a Corrective Action Plan (CAP) within fourteen (14) calendar days from the date indicated on the recoupment letter may be subject to additional actions.



# Step 9: Follow-up Audit

# Follow-up Audit

- Conducted for all Providers with a Not Compliant rating (below 86%) to ensure CAP is implemented, and issues identified in the CAP are corrected.
- Conducted at least six (6) months after the initial audit date
- The same pre-audit and audit procedures apply; however, the follow-up audit period will cover one (1) month, four (4) months prior to the month the audit is conducted. See table for an example.
- If a Provider receives a Not Compliant result for 2 consecutive years, the Provider will be issued a letter of termination from DHS-MQD.

<b>FOLLOW-UP AUDIT DATE</b>	<b>FISCAL AUDIT PERIOD</b>
8/1/2020	4/1/2020 - 4/30/2020
1/15/2021	9/1/2020 - 9/30/2020

# Training Wrap Up

**Ensure that services are rendered, and claims are coded correctly and billed appropriately.**

**Required documentation include ISP(s) and participant attendance log(s).**

**Participant attendance log must contain the seven (7) data elements.**

**All records must be readily available, current, and organized.**

**Please do not send your original documents.**

**Documents submitted after 3:00 p.m. will not be considered towards the fiscal audit.**

**Adjusting claims to match our audit findings is not allowed.**

For Further  
Information or  
Questions

Please email: [DOH.DDDFiscalAudit@doh.Hawaii.gov](mailto:DOH.DDDFiscalAudit@doh.Hawaii.gov)



Thank you