

Audit Highlights



Highlights of Legislative Auditor report on the Aging and Disability Services Division issued on October 17, 2011. Report # LA12-04.

Background

The Division for Aging Services was created in 1971. In 2009, the Office of Disability Services, Senior and Disability Rx Programs, Traumatic Brain Injury Programs, and other related responsibilities were merged with the Aging Services Division. The agency was renamed the Aging and Disability Services Division (Division).

The Division's mission is to develop, coordinate, and deliver a comprehensive support system of essential services that will allow Nevada's elders and those with disabilities to lead independent, meaningful, and dignified lives. In the 2011-2013 Executive Budget, the Division reported on 44 performance measures.

The Division's funding totaled \$57 million in fiscal year 2010. The largest funding sources were General Fund appropriations and grants. Program costs made up 74% of the Division's expenditures. The Division was authorized 206 full-time positions for fiscal year 2010.

Purpose of Audit

The purpose of this audit was to evaluate the Division's performance measures, including the reliability of reported results. The audit focused on the Division's performance measures reported for fiscal year 2010.

Audit Recommendations

This audit report contains three recommendations to improve administrative controls over performance measures. These recommendations include taking necessary steps to improve the reliability and validity of performance measures by defining terms, identifying assumptions, reviewing formulas used in the calculations, and using existing knowledge and abilities to ensure the data reported is complete, valid, and reliable.

The Division accepted the three recommendations.

Recommendation Status

The Division's 60-day plan for corrective action is due on January 18, 2012. In addition, the six-month report on the status of audit recommendations is due on July 18, 2012.

Aging and Disability Services Division

Department of Health and Human Services

Summary

The Aging and Disability Services Division reported some performance measures that did not accurately describe the performance of the programs. Of the five performance measures reviewed, two were significantly misleading and inaccurate, and the other three had minor errors. Management did not adequately review the calculations and descriptions of two measures to ensure the titles reflect the information reported. In addition, the Division's controls over the collection of information used to calculate the measures can be improved. These performance measures may be used by the Legislature, Governor, and Department and Division management to make critical decisions.

Two performance measures were reported as cost savings to the State for home versus institutional care, but actually reflected the estimated cost of institutional care for clients. Since the calculations did not deduct program costs and included other errors, we estimate the reported results were overstated by \$5.0 million and \$1.7 million for fiscal year 2010.

Key Findings

Descriptions for two performance measures for personal assistance services for adults with disabilities and persons with traumatic brain injuries did not accurately describe the information presented. The Division reported the two programs saved the State \$8.8 million and \$1.8 million in fiscal year 2010 by diverting adults with disabilities and persons with traumatic brain injuries from institutional care. The formulas used to calculate these amounts do not represent the programs' savings of state dollars because they did not include the costs of operating these two programs. In addition, the Division did not include potential reimbursement from the federal government for Medicaid costs incurred by the State for institutionalization. We estimate the two programs saved the State \$3.8 million and \$123,000 during fiscal year 2010. (page 4)

The Division used information to calculate performance measures that was not always correct. Management did not implement sufficient controls to ensure the information used to calculate performance measures is accurate and reliable. The Division's calculations for the Traumatic Brain Injury (TBI) and Personal Assistance Services programs' performance measures contained the wrong Medicaid rate and number of days in a year. (page 6)

Reports used to calculate performance measures are not always accurate. The Division contracts with a provider to assist persons who qualify to receive benefits from the TBI program. The Division relies on worksheets from the provider to calculate performance measures. These worksheets contain significant errors that, in turn, distort the performance measures. For example, the provider's calculation for the average days of service did not include the number of days for 4 of 10 discharged clients for 2 months. These were unintentional errors. However, it is the Division's responsibility to implement a system to review supporting data to ensure accuracy. (page 8)