

STATE OF NEVADA

Performance Audit

Department of Health and Human Services
Division of Public and Behavioral Health

Adult Mental Health Services
Community-Based Living Arrangement Homes

2017



Legislative Auditor
Carson City, Nevada

Audit Highlights



Highlights of performance audit report on Adult Mental Health Services, Community-Based Living Arrangement Homes issued on January 17, 2018. Legislative Auditor report # LA18-13.

Background

Within the Division of Public and Behavioral Health (Division), the Clinical Services Branch provides adult mental health services, primarily through NNAMHS, SNAMHS, and Rural Counseling and Supportive Services. The primary clients of these agencies are Nevadans with mental illness who are underinsured, uninsured, and those whose conditions have resulted in interaction with law enforcement. Expenditures for adult mental health services totaled about \$134 million in fiscal year 2017.

The CBLA living arrangement pays a provider the rent, utilities, and staff service hours up to a predetermined number of hours per month, per client, for supervision and assistance with activities of daily living. According to payment information provided by the Division, the State pays an average of \$1,450 per month, per CBLA client. This amount does not include client payments to CBLA providers from social security or other income. For the homes we inspected, the average number of clients in each home was four.

Purpose of Audit

The purpose of this audit was to determine if controls for monitoring providers of CBLA services are adequate to ensure the safety and welfare of adult mental health clients at NNAMHS and SNAMHS.

Audit Recommendations

This audit report contains seven recommendations to improve oversight of providers of CBLA services. Six of these recommendations relate to improving controls to ensure the Division effectively inspects CBLA homes. The other recommendation helps ensure the Division properly certifies CBLA providers.

The Division accepted the seven recommendations.

Recommendation Status

The Division's 60-day plan for corrective action is due on April 12, 2018. In addition, the six-month report on the status of audit recommendations is due on October 12, 2018.

Adult Mental Health Services Community-Based Living Arrangement Homes

Division of Public and Behavioral Health

Summary

Adults in need of mental health care live in dismal conditions at many community-based living arrangement (CBLA) provider homes. During our inspections of provider homes, we identified serious, deficient conditions prevalent at most of the homes. This includes unsanitary and unsafe conditions, and poor medication management practices. In addition, we identified numerous conditions that could negatively affect the quality of life for mentally ill clients. Furthermore, we observed children living at risk at two homes. We inspected CBLA homes that serve clients of Northern Nevada Adult Mental Health Services (NNAMHS) and Southern Nevada Adult Mental Health Services (SNAMHS). Although the Division developed policies and procedures to inspect provider homes, staff implementation of procedures is inadequate. When home inspections are not performed properly, deficiencies go undocumented, corrective action is not taken, and unsafe and unhealthy conditions may continue and proliferate.

Although the Division is responsible for certifying providers of CBLA homes, certification activities performed by the Division are inadequate. Specifically, reviews and assessments required for certifying providers were not performed for most of the 20 CBLA providers we tested, and were untimely for others. Although NNAMHS and SNAMHS performed some steps, such as obtaining business licenses and proof of insurance coverages, other key activities important for determining whether the providers met the Division's 2014 standards for certification were often omitted. When CBLA providers do not undergo complete or timely certification reviews, there is increased risk that unqualified providers may operate unchecked, needlessly exposing clients to adverse conditions.

Without strong inspection and certification processes, we have serious concerns with the current model for funding CBLA provider homes. Providers operate a business that inherently is driven by a profit motive. In the absence of adequate inspection and certification activities, providers may limit their level of care to maximize profits at the detriment of client services.

Key Findings

During our inspections of CBLA homes, we observed serious, deficient conditions at all 37 homes inspected. Our inspections included 37 of 105 (35%) homes providing services for NNAMHS and SNAMHS clients. Because providers typically operate more than one home, the number of providers included in our inspections exceeded 70% of the total providers. (page 10)

The following are some examples of conditions observed during our inspections of 37 homes:

- Unsanitary conditions (36 homes) – Excessively dirty floors, ceilings, and walls; mold and mildew; rodent and insect infestations; and no hand soap or toilet paper in bathrooms. (page 10)
- Personal health and safety hazards (34 homes) – Expired, spoiled, or improperly stored food; broken bathroom and bedroom doors; and broken and exposed glass. (page 12)
- Fire safety hazards (33 homes) – Expired, non-inspected, or inaccessible fire extinguishers, and missing and disabled smoke detectors. (page 14)
- Inadequate medication management practices (28 homes) – Medication administration records (MAR) left blank, not up-to-date, or completed in advance. Medications were not properly stored, including unsecured, commingled, and expired medications. (page 16)
- Bleak living conditions (36 homes) – Insufficient quantities of food; inadequate lighting; insufficient bedding and linens; and non-functioning or damaged appliances. (page 18)

At two homes, we observed young children of the caregivers living in the homes. In one home, the child's parent was not present and the mentally ill clients provided childcare while the mother reportedly worked another full-time job outside the home. (page 21)

For 11 of 20 (55%) CBLA homes inspected in southern Nevada, the staff member identified as the caregiver spoke little to no English, the language of the clients living in the home. Caregivers are responsible for tasks that necessitate client interaction such as administering medications and supervising client activities. If caregivers are unable to communicate, clients may not receive the services they need, and those for which the State is paying. (page 22)

Most of the 20 CBLA providers we tested had not undergone required review and assessment procedures for certification, and when procedures were performed, they were untimely by up to 5 years. (page 25)

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This report contains the findings, conclusions, and recommendations from our performance audit of the Department of Health and Human Services, Division of Public and Behavioral Health, Adult Mental Health Services, Community-Based Living Arrangement Homes. This audit was conducted pursuant to the ongoing program of the Legislative Auditor as authorized by the Legislative Commission. The purpose of legislative audits is to improve state government by providing the Legislature, state officials, and Nevada citizens with independent and reliable information about the operations of state agencies, programs, activities, and functions.

This report includes seven recommendations to improve the Division's monitoring and certification processes over providers of community-based living arrangement homes. We are available to discuss these recommendations or any other items in the report with any legislative committees, individual legislators, or other state officials.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Rocky Cooper".

Rocky Cooper, CPA
Legislative Auditor

November 15, 2017
Carson City, Nevada

Adult Mental Health Services Community-Based Living Arrangement Homes Table of Contents

Introduction	1
Background.....	1
Scope and Objective	7
Inadequate Monitoring Over Providers of Community-Based Living Arrangement Homes	9
Deficient Conditions Prevalent at CBLA Homes	10
More Can Be Done to Provide Greater Quality of Life	18
Children Placed at Risk Living in CBLA Homes.....	21
Questionable Provider Staffing Practices	22
Certification of Community-Based Living Arrangement Providers Is Inadequate	25
Provider Certification Procedures Were Not Performed or Were Untimely	25
Appendices	
A. Home Inspection Conditions by Type and Region	30
B. Inspection Conditions by Home and Region	32
C. Additional Photographs of Conditions Observed at CBLA Homes	35
D. Audit Methodology.....	59
E. Response From the Division of Public and Behavioral Health	62

Introduction

Background

In July 2013, the former Health Division and the Mental Health portion of the Division of Mental Health and Developmental Services merged to form the Division of Public and Behavioral Health (Division). Within the Division, the Clinical Services Branch provides statewide inpatient, outpatient, and community-based public and behavioral health services to Nevadans. There are four agencies within the Clinical Services Branch that provide adult mental health services:

- Lake's Crossing Center, a forensic psychiatric maximum security facility;
- Northern Nevada Adult Mental Health Services (NNAMHS);
- Rural Counseling and Supportive Services (Rural Clinics); and
- Southern Nevada Adult Mental Health Services (SNAMHS).

The primary clients of these agencies are Nevadans with mental illness who are underinsured, uninsured, and those whose conditions have resulted in interaction with law enforcement. Exhibit 1 shows the average caseload per month for adult mental health services statewide.

Monthly Average Caseloads Fiscal Year 2017

Exhibit 1

Program	NNAMHS	SNAMHS	Rural Clinics	Total
Residential Services ⁽¹⁾	333	721	33	1,087
Outpatient Services ⁽²⁾	329	1,135	1,835	3,299
Medication Clinics ⁽³⁾	1,855	3,843	2,093	7,791

Source: Department of Health and Human Services, Director's Office.

⁽¹⁾ Includes all programs that provide clients with affordable housing.

⁽²⁾ Includes service coordination and other outpatient programs.

⁽³⁾ Represents the average population the agency serves.

Some of the primary services provided by adult mental health services include:

Inpatient Psychiatric Hospitals – Includes 1, 30-bed hospital in Sparks and 2 hospitals in Las Vegas with 253 beds reserved for individuals deemed dangerous to themselves or others.

Program for Assertive Community Treatment – A multidisciplinary team delivers comprehensive, intensive, integrated care for individuals with serious and persistent mental health disorders.

Mobile Crisis Team – A specialized unit that works with Las Vegas hospital emergency departments to evaluate patients on involuntary holds and when feasible, plan for safe discharge back to the community.

Day Treatment Services – Includes day treatment services and behavioral health therapy individually or in a group.

Medication Clinic/Psychiatric Services – Provides individuals with medication management, monitoring, training, health education, and pharmacy services.

Service Coordination and Case Management – Links individuals to needed medical, social, educational, and other community support services.

Mental Health Court – A voluntary multidisciplinary treatment model to provide an opportunity for those with misdemeanor and minor felony criminal charges who would benefit from mental health services to be diverted from the standard criminal justice system.

Co-occurring Disorders Program – Individuals who have both substance abuse and mental health treatment needs receive specialized services, in an outpatient setting, that address both disorders.

Residential Support – Includes assistance with costs for rent and utilities and with daily living activities to help those living with severe mental illness remain in a community living situation.

Budgeting and Staffing

The Clinical Services Branch administers four budget accounts for adult mental health services, one for each of the mental health agencies. The four agencies are funded primarily through State appropriations, Medicaid, and Medicare. Exhibit 2 shows funding for adult mental health services was about \$134 million for fiscal year 2017¹.

Revenues by Agency Fiscal Year 2017

Exhibit 2

Source	SNAMHS	NNAMHS	Rural Clinics	Lake's Crossing	Total
Appropriations	\$72,490,200	\$24,133,066	\$ 8,950,326	\$ 9,619,927	\$115,193,519
Medicaid and Medicare	9,413,824	6,233,591	4,514,908	–	20,162,323
Federal Funds	2,062,819	570,381	81,018	–	2,714,218
Transfers ⁽¹⁾	771,011	–	107,205	1,541,538	2,419,754
Insurance Recoveries	118,514	155,680	345,852	–	620,046
Local Governments	89,940	–	–	390,065	480,005
Other ⁽²⁾	14,737	101,635	3,383	10,815	130,570
Client Charges	15,036	11,367	70,335	–	96,738
Subtotal	84,976,081	31,205,720	14,073,027	11,562,345	141,817,173
Less Reversions to General Fund	(4,481,484)	(1,651,160)	(1,380,365)	(381,500)	(7,894,509)
Total Revenues	\$80,494,597	\$29,554,560	\$12,692,662	\$11,180,845	\$133,922,664

Source: State accounting system.

⁽¹⁾ Transfers include funds from other state agencies and tobacco funds from the State Treasurer.

⁽²⁾ Other includes photocopy service charges, rental income, and Social Security Administration incentive payments.

Expenditures for adult mental health services were about \$134 million in fiscal year 2017. Exhibit 3 shows expenditures for the Division's four mental health agencies.

¹ Rural Clinics provide child and adult mental health services in Nevada's rural regions.

**Expenditures by Agency
Fiscal Year 2017**

Exhibit 3

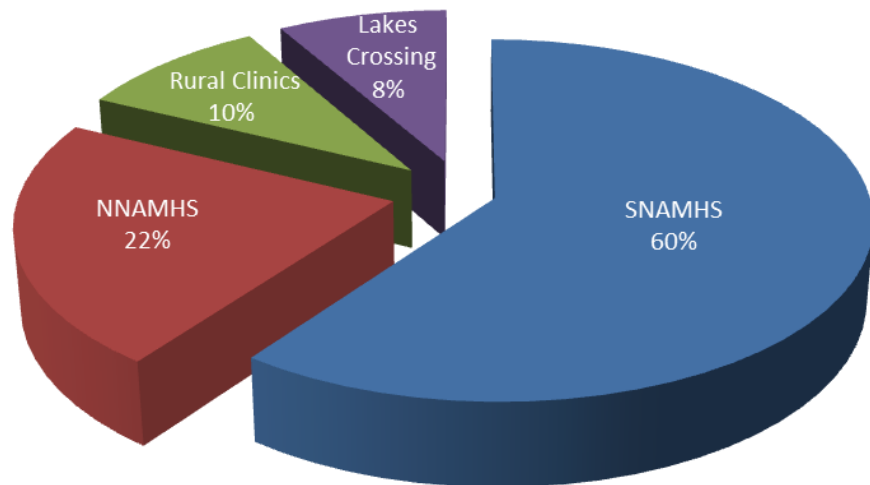
Description	SNAMHS	NNAMHS	Rural Clinics	Lake's Crossing	Total
Personnel	\$49,040,342	\$16,776,507	\$ 8,884,294	\$ 8,631,774	\$ 83,332,917
Program Costs	22,235,209	9,838,633	2,083,826	1,443,546	35,601,214
Operating and Travel	5,612,159	1,525,321	1,452,105	488,589	9,078,174
Medications	2,454,963	486,353	–	371,715	3,313,031
Information Services	388,112	131,679	199,400	48,836	768,027
State Cost Allocations	358,012	242,860	73,036	24,367	698,275
Deferred Facilities Maintenance	64,961	553,206	–	77,842	696,009
Reserve for Reversion	340,838	–	–	94,177	435,015
Total Expenditures	\$80,494,596	\$29,554,559	\$12,692,661	\$11,180,846	\$133,922,662

Source: State accounting system.

NNAMHS and SNAMHS account for the majority of the Division's expenditures for adult mental health services. As shown in Exhibit 4, expenditures for the two agencies exceeded 80% of the Clinical Services Branch's mental health expenditures for fiscal year 2017.²

**Expenditure Comparison by Agency
Fiscal Year 2017**

Exhibit 4



Source: State accounting system.

For fiscal years 2018 and 2019, NNAMHS and SNAMHS were approved for a combined total of 970 and 958 positions. For the

² The Clinical Services Branch also includes Behavioral Health Administration, which oversees the state's mental health and substance abuse policies and regulations, and coordinates program development statewide. Fiscal year expenditures were \$3 million, or 2% of Clinical Services Branch expenditures.

2018-2019 Biennium, the agencies' workforce was reduced 5% overall, with 51 positions less than fiscal year 2017 levels of 1,009 authorized positions. The Division explained the reduction in budgeted staff over fiscal years 2018 and 2019 was due to the effects of decreased patient demand caused by a shift in services to the community as a result of the Affordable Care Act, the elimination of several programs and operating locations, and operational efficiencies.

NNAMHS' mental health services and administration are conducted from the Sparks, Nevada campus. SNAMHS conducts adult mental health services at locations throughout southern Nevada, including its main Charleston campus in Las Vegas.

Housing and Residential Services

NNAMHS and SNAMHS provide housing and residential services to the adult mental health clients they serve. Clients that meet eligibility requirements are screened and assessed for case management needs, which may include residential placement. Types of residential placements vary from the most restrictive to the least restrictive living arrangement, and include specialized programs. Many of NNAMHS and SNAMHS clients needing residential services are placed in community-based living arrangement (CBLA) homes³ operated by contract providers.

SNAMHS' residential services policy effective April 2016, states CBLA placement provides independent living with the security of monitoring, continued support, and behavioral skills training in a scattered site community setting. NNAMHS has a similar policy in which clients who cannot live on their own and need ongoing support are placed in CBLA homes.

The CBLA living arrangement pays the provider for rent, utilities, and staff service hours up to a predetermined number of hours per month, per client, for supervision and assistance with activities of daily living and behavioral management. Based on unaudited information provided by NNAMHS and SNAMHS, the State pays an average of \$1,450 per month, per CBLA client. This amount does not include client payments to CBLA providers from the U.S.

³ Community-based living arrangement (CBLA) homes were formerly known as supported living arrangement (SLA) homes.

Social Security Administration or other income. For the 37 CBLA homes inspected during this audit, the average number of clients in each home was 4.

Provider Certification

Both NNAMHS and SNAMHS have policies and procedures requiring CBLA home providers to be certified, overseen, and monitored by Division employees. Initially, providers requesting certification must submit an application with supporting documentation. Upon approval, CBLA providers are subject to annual, follow-up, and unscheduled reviews of their homes in order to maintain certification as a CBLA provider. In addition to agency-specific policies, the Division issued Standards for Mental Health Supported Living Services in February 2014, which describe the operational structure CBLA home providers should maintain.

Although the Division, NNAMHS, and SNAMHS have standards, policies, and procedures over the certification and inspection of CBLA homes, these requirements failed to prevent problems with a large provider in northern Nevada. Specifically, a provider that operated 13 CBLA homes abruptly closed its doors and clients had to be relocated. Subsequent newspaper stories in 2016 revealed the provider had been evicted from one of its homes for failure to pay rent and NNAMHS clients had been living in squalid conditions in homes operated by this provider.

Recent Legislation

In 2017, the Legislature passed and the Governor signed Assembly Bill (AB) 46, which became effective July 1, 2017. This legislation provided for the certification and regulation of all CBLA homes used by NNAMHS, SNAMHS, Rural Clinics, or other community partners. The Division stated the legislation provided regulatory authority over CBLAs, which the existing statutes did not address. Management testified the bill met concerns about CBLA client safety spurred partly by recent newspaper articles.

As a result of the enactment of AB 46, the State Board of Health adopted a regulation governing CBLAs, effective July 1, 2017. This regulation requires CBLA providers to be certified; provides

procedures for applying for certification; gives the Division regulatory authority to perform quality assurance reviews of providers, impose sanctions, and issue, renew, deny or revoke certification; and provides CBLA clients with certain rights.

Interim Study

In 2017, AB 343 was also passed and became effective July 1, 2017. This bill requires the Legislative Committee on Health Care (Committee) to conduct an interim study concerning the rates paid to group homes contracted with SNAMHS. The Committee must review and evaluate the current rates SNAMHS pays to group homes and determine whether any changes in the rates may be necessary. This study will address rates paid to group homes, as described in NRS 244.3549, which are not the same as CBLA homes. Group homes are licensed and regulated by the Division's Bureau of Health Care Quality and Compliance, and serve persons with intellectual disabilities, physical disabilities, the aged, or infirm.

Although the interim study concerns only group homes, and not CBLA homes, this audit report on CBLA homes may be of interest to the Committee. Specifically, several of the providers we examined in southern Nevada also operate group homes that contract with SNAMHS. Furthermore, in some instances deficient conditions described later in this report were applicable to those providers that also operate group homes.

Scope and Objective

The scope of our audit included a review of the Division's oversight of providers that give services to adult mental health clients. The primary focus of our audit was fiscal year 2017, but included prior years and fiscal year 2018 for some activities. Our audit objective was to:

- Determine if controls for monitoring providers of community-based living arrangement (CBLA) services are adequate to ensure the safety and welfare of adult mental health clients at NNAMHS and SNAMHS.

This audit is part of the ongoing program of the Legislative Auditor as authorized by the Legislative Commission, and was made

pursuant to the provisions of NRS 218G.010 to 218G.350. The Legislative Auditor conducts audits as part of the Legislature's oversight responsibility for public programs. The purpose of legislative audits is to improve state government by providing the Legislature, state officials, and Nevada citizens with independent and reliable information about the operations of state agencies, programs, activities, and functions.

Inadequate Monitoring Over Providers of Community-Based Living Arrangement Homes

Adults in need of mental health care live in dismal conditions at many community-based living arrangement (CBLA) provider homes. During our inspections of provider homes, we identified serious, deficient conditions prevalent at most of the homes. This includes unsanitary and unsafe conditions, and poor medication management practices. In addition, we identified numerous conditions that could negatively affect the quality of life for mentally ill clients. Furthermore, we observed children living at risk at two homes. We inspected CBLA provider homes that serve clients of Northern Nevada Adult Mental Health Services (NNAMHS) and Southern Nevada Adult Mental Health Services (SNAMHS). Although the Division developed policies and procedures to inspect provider homes, staff implementation of procedures is inadequate. When home inspections are not performed properly, deficiencies go undocumented, corrective action is not taken, and unsafe and unhealthy conditions may continue and proliferate.

Without a strong inspection and certification process, we have serious concerns with the current model for funding CBLA provider homes. Providers operate a business that inherently is driven by a profit motive. In the absence of adequate inspection and certification activities, providers may limit their level of care to maximize profits at the detriment of client services.

We performed unannounced visits at CBLA provider homes in Henderson, Las Vegas, Reno, and Sparks. To perform the inspections, we walked the interior and exterior of each home. Inspections were performed using evaluation criteria developed by

Deficient Conditions Prevalent at CBLA Homes

the Division. However, our inspections included only the items we believed were most impactful to clients' health and safety.

Our inspections included 37 of 105 (35%) homes providing services for NNAMHS and SNAMHS clients. Because providers typically operate more than one home, the number of providers included in our inspections exceeded 70% of the total providers.

Inspecting CBLA provider homes is an essential function to ensure the health, welfare, and safety of clients in CBLA provider homes, as clients will spend a significant amount of time in CBLA home environments. During our inspections, we observed serious, deficient conditions at all 37 homes inspected.

Specifically, we found the following: 1) unsanitary conditions, 2) personal health and safety hazards, 3) fire safety hazards, and 4) inadequate medication management practices. In addition, we observed twice as many deficiencies in non-certified provider homes compared to certified provider homes. Without correction, these conditions could significantly affect the safety and welfare of the mentally ill clients living in the homes.

During our inspections, we took over 2,000 pictures to document home conditions. The pictures in our report include examples of some of the worst conditions captured by a clear photograph. However, we consider all exceptions noted as significant. Based on auditor judgement, we did not count our observations as an exception unless corrective action was needed to provide a safe, healthy, and reasonable living environment. Appendices A and B on pages 30 to 33 provide greater details on the number of exceptions observed at provider homes overseen by NNAMHS and SNAMHS.

Unsanitary Conditions

For 36 of 37 homes inspected, we observed numerous unsanitary conditions. Although clients' behavior may contribute to occurrences of unsanitary conditions, our observations indicate that these unsanitary conditions had not been addressed for some time. Listed below are the conditions we observed by type and number of homes.

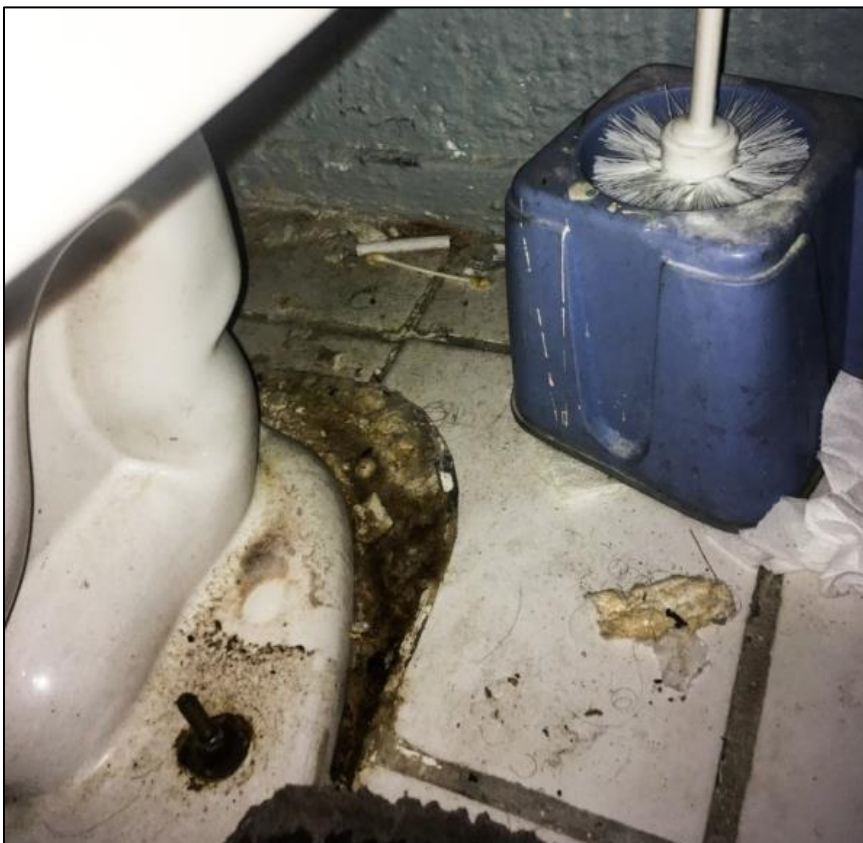
A client told the auditors he was "sick of roaches."

Number of Homes With Unsanitary Conditions

- Filthy conditions throughout home, including excessively dirty floors, ceilings, walls, mattresses, bedding, appliances, and air filters (34)
- Mold and mildew (22)
- Highly cluttered bedrooms, including trash, dirty dishes, linens, clothing, animal food, and storage boxes (15)
- Rodent and insect infestations (13)
- Evidence of human waste (11)
- No hand soap or toilet paper in bathrooms (11)
- Strong, unpleasant odors inside home (8)
- Use of old, rancid cooking oil (5)
- Untreated blood stains (2)

The following pictures show examples of unsanitary conditions observed at two homes. See Appendix C, page 35, for additional pictures taken at these and other homes.

Dirty and leaking toilet – Home 21



Fresh caulking
over mold and
water damage –
Home 12



Personal Health and Safety Hazards

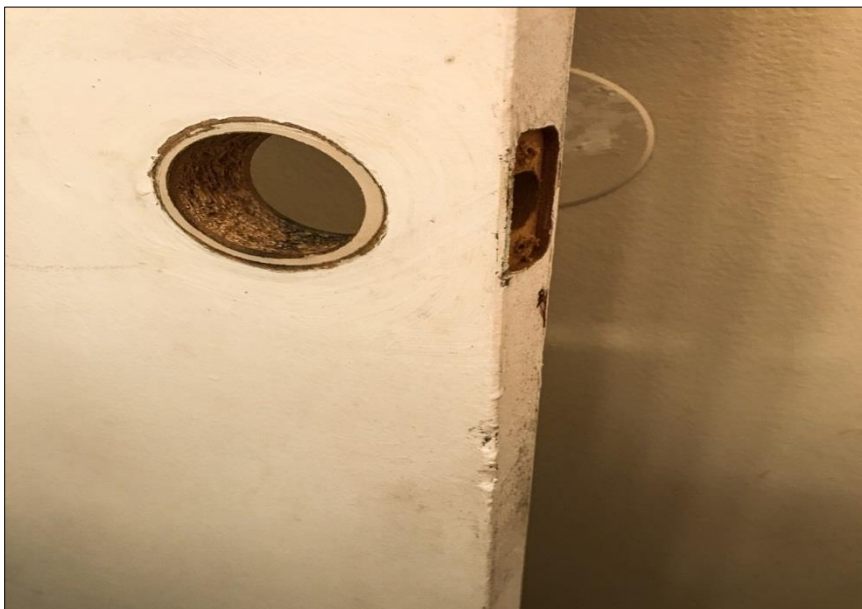
For 34 of 37 homes inspected, we observed numerous conditions that could impact the personal health and safety of clients living in the homes. Personal health and safety hazards are those conditions that expose a client to serious injuries and illnesses. Although it may be impossible to anticipate and control all potentially hazardous events from occurring, personal health and safety hazards at CBLA homes can be mitigated. Listed below are the conditions we observed by type and number of homes.

Number of Homes With Personal Health and Safety Hazards

- No disaster response plan in home (31)
- No emergency kit, including food storage and water, or emergency kit locked or otherwise inaccessible (29)
- Expired, spoiled, or improperly stored food (24)
- Debris piles outside home (13)
- Tripping hazards (9)
- No emergency numbers posted in home (7)
- No evacuation plan posted in home (7)
- Chemicals stored near food or in bedrooms (6)
- Broken bathroom and bedroom doors/locks (6)
- No carbon monoxide detectors when gas appliances present (3)
- Broken and exposed glass (3)

The following pictures show examples of personal health and safety hazards observed at two homes. See Appendix C, page 35, for additional pictures taken at these and other homes.

Bathroom door
missing doorknob
and lock – Home 33



Broken and exposed glass and wires – Home 32



Fire Safety Hazards

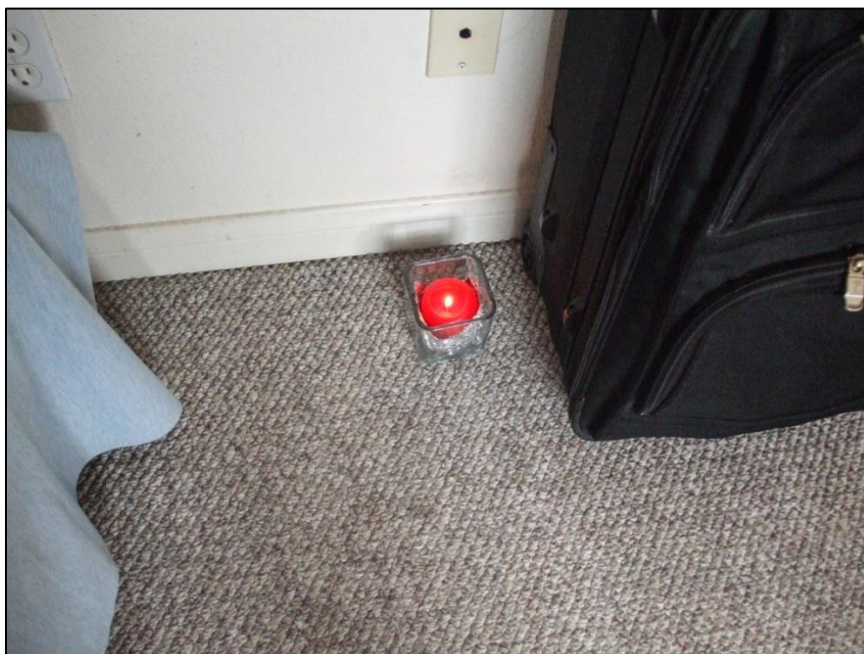
For 33 of 37 homes inspected, we observed conditions that increase the danger of fire for the clients, such as smoking and use of candles inside bedrooms. Division policy requires homes to establish a designated smoking area, and for candles and other fire materials to be used only under direct supervision. The combination of multiple unsafe conditions in a home coupled with residents with varying degrees of mental illness, makes these conditions unacceptable. Listed below are the conditions we observed by type and number of homes.

Number of Homes With Fire Safety Hazards

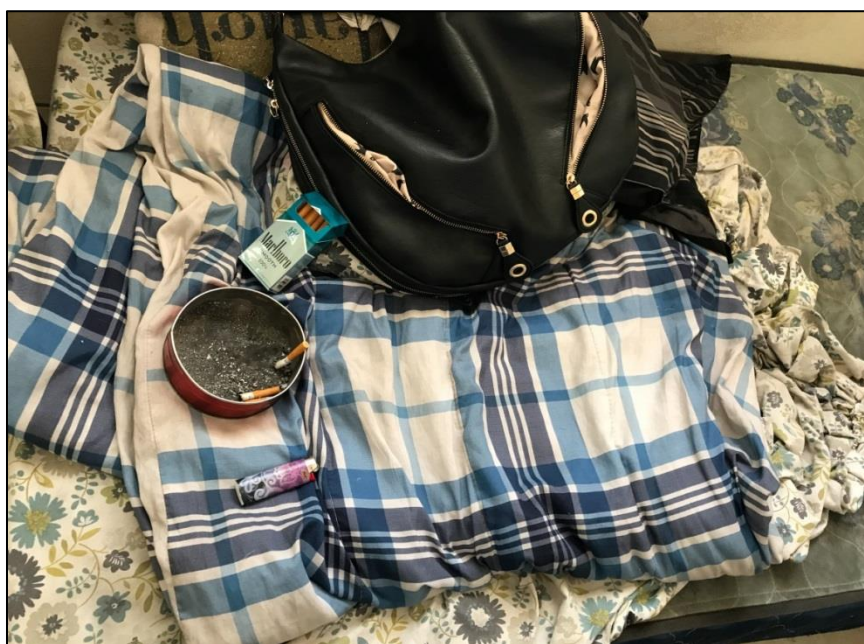
- Expired, non-inspected, or inaccessible fire extinguishers (22)
- Missing and disabled smoke detectors (14)
- Smoking inside home, predominantly in bedrooms and bathrooms (12)
- Use of candles and burning incense (8)
- Missing electrical outlet covers and exposed wires (7)

The following pictures show examples of fire safety hazards observed at two homes. See Appendix C, page 35, for additional pictures taken at these and other homes.

Open flame on floor next to combustible materials, including bedsheets – Home 17



Smoking on client's bed – Home 32



Best practices for fire safety include maintaining working smoke alarms in all sleeping areas, regular testing to ensure smoke alarms work, keeping combustible materials at least 3 feet from heat sources, and eliminating exposed wiring.

Inadequate Medication Management Practices

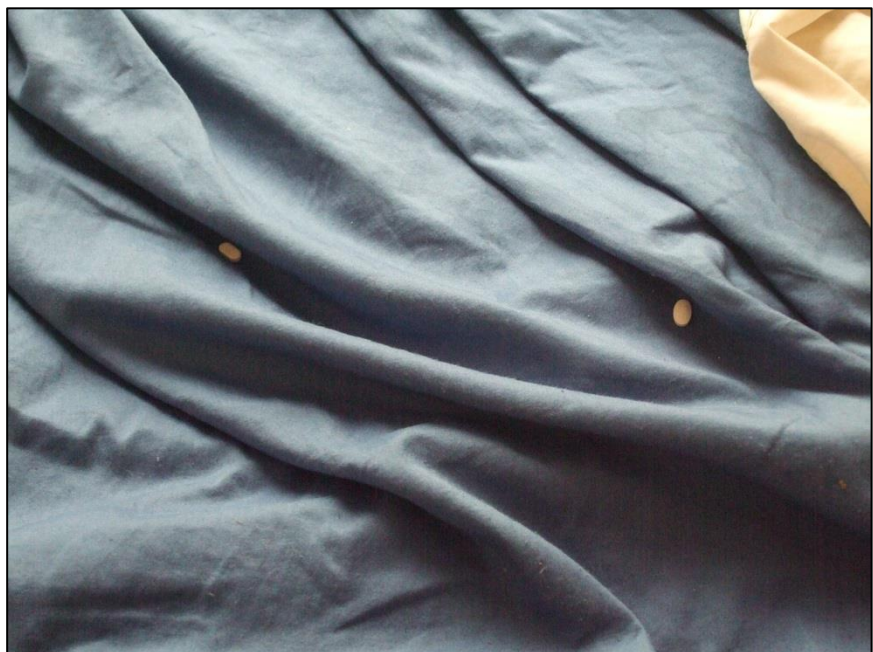
For 28 of 37 homes inspected, we observed inadequate medication management practices. Proper medication management includes giving the prescribed medication and dose at the right time, and accurately documenting its administration. When medications are not administered correctly, the client's physical or mental health can be significantly affected. Listed below are the conditions we observed by type and number of homes.

Number of Homes With Inadequate Medication Management Practices

- Medication administration records (MAR) left blank, not up-to-date, or completed in advance (24)
- Medications not properly stored, including unsecured, commingled, and expired medications (13)
- MARs not reviewed by management (6)
- Controlled substance log missing (1)

The following pictures show examples of inadequate medication management practices observed at two homes. See Appendix C, page 35, for additional pictures taken at these and other homes.

Unsecured medications in client's bed – Home 24



Unsecured and
commingled
medications –
Home 36



The Division's general policies require providers to develop a system for the accurate and efficient delivery of medications. Included in the system should be procedures that ensure clients receive the correct dosage at the appropriate times. In addition, providers must establish a system for tracking and documenting medication delivery, including identifying, documenting, and tracking medication errors.

More Can Be Done to Provide Greater Quality of Life

A client complained to the auditors about no light in bedroom and only one light bulb in the bathroom. The client stated she told provider “weeks ago” and that she “can’t live like this anymore.”

Another client whose bed was a sofa chair and ottoman stated she “complained to the [provider], but nothing was done.”

Based on our inspection of CBLA provider homes, we have serious concerns with conditions that could affect the clients’ quality of life. For example, the conditions observed at 36 of 37 homes, while not directly affecting physical health and safety, were bleak and not conducive to good mental health. These conditions include: 1) leaking or clogged plumbing, 2) insufficient quantities of food, and 3) insufficient bedding. An inadequate environment can have adverse effects on the Division’s clients suffering with mental illness.

Bleak Living Conditions

For 36 of 37 homes inspected, we observed conditions that contributed to bleak living environments for clients. These depressing conditions can indirectly affect the well-being of clients. Listed below are the conditions we observed by type and number of homes.

Number of Homes With Bleak Living Conditions

- Inadequate lighting (27)
- Water damage (18)
- Insufficient bedding and linens (16)
- Lack of furniture, or broken furniture (15)
- Non-functioning or damaged appliances (15)
- Holes in walls or floors (14)
- Sheets or shower curtains used as window coverings (9)
- Insufficient quantities of food (8)
- Leaking or clogged plumbing (6)
- Roof or exterior damage (5)
- Large quantities of processed and packaged food (2)

The following pictures show examples of bleak living conditions observed at two homes. See Appendix C, pages 35, for additional pictures of these and other homes.

Dirty mattress and insufficient bedding in bedroom – Home 33



Insufficient food in home with six clients – Home 33



As shown above and in Appendix C, the conditions at many of the homes are disturbing. A study by the World Health Organization indicates cleanliness and lighting in a home are among the most important environmental aspects, and deficiencies in these areas can aggravate mental health issues.⁴

Non-Certified Provider Homes Had More Deficiencies

Seven of the 37 homes we inspected were of CBLA providers that were not certified by SNAMHS. On average, we observed twice as many deficiencies at these homes. Non-certified providers were used by an organization that gives case management services outside of SNAMHS; however, SNAMHS pays some of the CBLA costs for the clients. While SNAMHS regularly inspected certified CBLA providers, it did not regularly inspect the non-certified providers used by this organization. Recently passed legislation will help ensure all CBLA providers are certified.

An organization described by SNAMHS as a “state-related agency” placed clients with non-certified providers. According to SNAMHS staff, homes used by this organization were not regularly inspected. In addition, the organization required SNAMHS staff to give it 2 to 4 weeks notice before performing home inspections.

Legislation passed in 2017 requires all providers of CBLA services be certified. In addition, the law requires the Division to establish regulations for certifying providers. According to SNAMHS, it has made non-certified CBLA providers aware of the new law, regardless if SNAMHS directly contracts with them or not, and will follow-up with formal notification in the form of certified letters.

Inadequate Inspections Allow Providers to Neglect Homes

Although the Division developed policies and procedures to inspect provider homes, staff implementation of procedures is inadequate. For example, for 12 of 37 homes we inspected, agency staff performed home inspections within 5 days of our inspections and did not document most of the deficiencies we observed. Our inspections identified 140 items that did not

⁴ Large Analysis and Review of European Housing and Health Status (LARES), WHO Europe, 2007

comply with the agencies' inspection checklists; whereas, agency inspectors identified 28 items. When staff inadequately perform home inspections, deficiencies go undocumented, corrective action is not taken, and unsafe and unhealthy conditions may continue and proliferate.

Children Placed at Risk Living in CBLA Homes

During our inspections of CBLA homes, we observed young children of the caregivers living in 2 of 37 homes. In one home, the child's parent was not present and the mentally ill clients provided childcare while the mother worked another full-time job outside the home. The Division's policies and procedures do not address children living in CBLA homes.

For the home in which the child's mother was not present, we observed the 3-year old child running around a filthy home in his underwear and being loosely supervised by clients living in the home. A female client identified herself as the babysitter and indicated the mother was the live-in caregiver at the home, but worked another job during the day.

Because the child's parent was not present and mentally ill clients were caring for the child, we contacted the Clark County Department of Family Services (CCDFS). CCDFS responded promptly and arrived at the home to assess the situation. CCDFS officials were concerned with the arrangement and began an investigation. As of September 2017, CCDFS reported the child still lived in the home, but was attending daycare while the mother worked at the other job outside of the home.

In the second home, the mother was present, and according to the provider, had arrived in the country the night before our inspection. The mother did not speak the language of the clients living in the home (English), but was identified as the live-in caregiver for the home. The conditions in this home were typical of many of the homes we inspected with numerous health and safety deficiencies. Because the parent was present at this home, we did not contact CCDFS.

We informed SNAMHS management of the children living in both homes. Management informed us that agency staff was sent to

inspect these homes. At both homes, SNAMHS found similar conditions to our observations of children living with mentally ill clients in homes with health and safety deficiencies. SNAMHS issued notices to the providers of these homes requiring corrective action.

The Division does not have policies or procedures addressing the presence of children in CBLA homes. According to SNAMHS, the Division of Health Care Quality and Compliance (HCQC), which licenses group homes, allows children to be present in group homes. In addition, SNAMHS indicated the providers assured them the children would not be present while the parent is working.

Questionable Provider Staffing Practices

For 11 of 20 (55%) CBLA homes inspected in southern Nevada, the staff member identified as the caregiver spoke little to no English, the language of the clients living in the home. If caregivers are unable to communicate, clients may not receive the services they need, and those for which the State is paying.

When we encountered these individuals, management often interceded to translate and help answer our questions. Caregivers are responsible for tasks that necessitate client interaction such as administering medications and supervising client activities. In addition, in one home, we were informed the caregiver had recently undergone surgery and could not leave her bed. Because of significant communication barriers, our discussion with the caregiver was translated by a friend visiting the caregiver.

When we questioned a provider later as to how caregivers could adequately provide for clients' needs if they could not communicate with them, this provider indicated the employees we spoke with were housekeepers or handymen, but not the caregivers. However, this explanation does not agree with our observations and discussions during the site visits with this provider and its staff.

We have serious concerns with the arrangement of caregivers living in the homes. These concerns include the quality of care

provided to clients and potentially oppressive working conditions that may circumvent labor laws and payroll requirements. For example, during our audit, we also visited the offices of CBLA providers and reviewed provider records. For 3 of 11 providers, payroll records were not provided for the caregiver who was in the home during our inspection. In addition, one provider informed us it pays cash to caregivers and does not have payroll records.

For many homes we visited in southern Nevada, one caregiver lived in the home. When we asked these caregivers what they do when they need to leave the home, some responded that they only leave occasionally and will call the provider to arrange for someone else to stay temporarily in the home while they are gone.

As mentioned above, we have serious concerns with the working arrangement of caregivers living in CBLA homes, and potential circumvention of labor laws and payroll requirements. However, because of the need to address concerns over client safety and welfare, this report includes only one audit objective so it could be issued sooner. Additional work concerning labor laws and payroll practices will be conducted as part of a future audit that is in progress.

Recommendations

1. Develop additional policies and procedures to ensure inspections are regularly and consistently performed, including regular staff training and monitoring by supervisors, and items requiring corrective action are properly documented.
2. Develop a standardized process for documenting and tracking implementation of corrective action items.
3. Develop procedures for tracking corrective action items by provider and home, including regular analysis to ensure corrective action is sustained.
4. Develop policies and procedures for imposing sanctions when CBLA providers consistently fail to meet standards.

5. Develop policies and procedures regarding children living in CBLA homes.
6. Develop policies and procedures regarding language proficiency and essential physical requirements for provider staff that regularly provide one-on-one services to clients.

Certification of Community-Based Living Arrangement Providers Is Inadequate

Although the Division is responsible for certifying providers of community-based living arrangements (CBLA), certification activities performed by the Division are inadequate. Specifically, reviews and assessments required for certifying providers were not performed for most of the 20 CBLA providers we tested, and were untimely for others. Although NNAMHS and SNAMHS performed some steps, such as obtaining business licenses and proof of insurance coverages, other key activities important for determining whether the providers met the Division's 2014 standards for certification were often omitted. When CBLA providers do not undergo complete or timely certification reviews, there is increased risk that unqualified providers may operate unchecked, needlessly exposing clients to adverse conditions.

Division personnel indicated certification activities were not performed because they were awaiting the development of new regulations. The new regulation of the State Board of Health, adopted July 1, 2017, requires the Division to certify all CBLA home providers and specifies procedures NNAMHS and SNAMHS must follow for each provider's certification review and assessment.

Provider Certification Procedures Were Not Performed or Were Untimely

Most of the 20 CBLA providers we tested had not undergone required review and assessment procedures for certification, and when procedures were performed, they were untimely by up to 5 years. Specifically, 14 of 20 Division files contained no documentation as to the providers' financial solvency, while the financial information on file for the other 6 providers was insufficient for assessing their solvency. Additionally, the Division's certification requirements were not implemented

consistently by NNAMHS and SNAMHS. In some instances, letters of certification were issued without any assessment of the providers' operations. Our testing included 20 of 33 CBLA providers certified by NNAMHS and SNAMHS.

Although the Division's 2014 standards of care for providers clearly set out uniform certification requirements, there were significant differences in the implementation of the standards by NNAMHS and SNAMHS. Differences between NNAMHS and SNAMHS certification processes are noted below.

NNAMHS' certification files, dating back to June 2013, had some incomplete documentation from CBLA providers for the 10 northern Nevada providers we tested. For instance, some NNAMHS files contained bank statements for the month the entity applied for certification, and 4 of 10 NNAMHS files contained some records of employee training. The most recent certification dates were nearly 2 years ago. In one instance, a provider was last certified 5 years ago.

SNAMHS had no certification documentation prior to July 2017 for any of the 10 southern Nevada providers we tested. The agency informed us CBLA provider certification records did not exist in prior years. According to staff, providers were given a letter of certification every 2 years, without any review or assessment of operations. However, our review of agency records confirmed SNAMHS staff began performing quality assurance inspections of providers' homes during 2017 that were due for certification renewals. In addition, in order to be certified or recertified, providers were required to submit specific documentation for review.

Files maintained at NNAMHS and SNAMHS contained few indications that providers operating CBLA homes met the 2014 standards of care. We met with the 11 largest providers, whose CBLA homes we inspected, to review CBLA operations and compliance with certification requirements. In some instances, the providers showed us their policies and procedures, employee training records, and personnel background checks that were not found in the Division's files.

2014 Certification Standards for CBLA Providers

In 2014, the Division developed certification standards for CBLA providers, which describe in detail the operational structure CBLA home providers should maintain. In addition, a standardized checklist based upon these standards was provided to Division staff as a tool for review and assessment of providers' compliance. The checklist requires annual review of the providers' practices in the areas of general administration, personnel, reporting of incidents and abuse or neglect allegations, client health care and medication management, and fiscal accountability of client funds.

Examples of items staff were required to review and assess to certify or recertify a provider include:

- Financial records, business licenses, and insurance coverages (e.g., general liability, workers' compensation, automobile);
- Written policies and procedures over operational areas such as infection control, standard precautions, and safe transportation of clients;
- Processes for checking employment references and criminal backgrounds for employees, subcontractors, volunteers, and owners within 7 days of hire and every 5 years thereafter;
- Records for new hire training within 90 days of hire and ongoing annual training in specific topics such as incident reporting and HIPAA confidentiality; and
- Practices for reporting accidents, injuries, and other incidents.

In response to our inquiry as to why providers have not undergone the recertification process timely, the Division indicated providers were having difficulty meeting the 2014 certification standards and staff was awaiting the development of new regulations.

New Certification Requirements for CBLA Providers

New legislation providing for the certification and regulation of all CBLA providers was enacted during the 2017 Legislative Session. Both NNAMHS and SNAMHS indicated they have begun working with providers to implement requirements of the new State Board of Health regulation that resulted from Assembly Bill 46. This legislation and the resultant regulation, effective July 1, 2017, govern CBLA provider certification.

The regulation expands the requirements for CBLA certification not only to clients served by the Division, but also any other entities that provide CBLA services to those with mental illnesses. Therefore, the practice of other organizations to use non-certified providers of CBLA services, discussed previously in the report, must be discontinued.

The new process for initial certification provides for review and assessment of various provider qualifications including:

- The organizational documents (e.g., bylaws, articles of incorporation, partnership agreement), list of officers and owners, and state and local business licenses;
- Submission of fingerprints to the Central Repository for Nevada Records of Criminal History, the Federal Bureau of Investigation, and other law enforcement agencies the Division deems necessary;
- Sufficient working capital to provide services for at least 3 months without compensation; and
- Policies and procedures relating to the provision of services.

The new regulation gives the Division authority to issue, renew, deny, or revoke CBLA provider certification. In addition, certification periods may not exceed 2 years for renewal. Before a provider's certification is renewed, the Division must conduct a quality assurance review to determine that the provider is in compliance with the standards described in the regulation. Providers must also develop and maintain a financial plan, which

ensures that there are sufficient resources to meet the costs for care of the persons receiving services from the provider.

The Division indicated it is in the process of developing new policies and procedures for certifying CBLA providers. Development of these policies and procedures will be crucial to help ensure regulations are properly implemented, and to help ensure sustained implementation. Failure to properly implement regulations regarding CBLA provider certification could allow ineffective or unqualified CBLA providers to operate, adversely affecting the quality of care received by clients.

Recommendation

7. Develop policies and procedures to help ensure provider certifications are performed consistently, timely, and comply with recently enacted laws and regulations.

Appendix A

Home Inspection Conditions by Type and Region

Unsanitary Conditions	NNAMHS	Percent (10 Homes)	SNAMHS	Percent (27 Homes)
Evidence of human waste	4	40%	7	26%
Untreated blood stains	0	0%	2	7%
Mold and mildew	4	40%	18	67%
Rodent and insect infestations	1	10%	12	44%
No hand soap or toilet paper in bathrooms	2	20%	9	33%
Filthy conditions throughout home, including excessively dirty floors, ceilings, walls, mattresses, bedding, appliances, vents, and air filters	8	80%	26	96%
Use of old, rancid cooking oil	0	0%	5	19%
Highly cluttered bedrooms, including trash, dirty dishes, linens, clothing, animal food, storage boxes	6	60%	9	33%
Strong, unpleasant odors inside home	1	10%	7	26%
Total Unsanitary Conditions Observed	26		95	

Personal Health and Safety Hazards	NNAMHS	Percent (10 Homes)	SNAMHS	Percent (27 Homes)
Broken bathroom and bedroom doors/locks	1	10%	5	19%
Broken and exposed glass	0	0%	3	11%
Chemicals stored near food or in bedrooms	0	0%	6	22%
Expired, spoiled, or improperly stored food	6	60%	18	67%
No carbon monoxide detectors when gas appliances present	2	20%	1	4%
No emergency kit, including food storage and water, or emergency kit not accessible/locked	2	20%	27	100%
No disaster response plan in home	4	40%	27	100%
No emergency numbers posted in home	2	20%	5	19%
No evacuation plan posted in home	0	0%	7	26%
Debris piles outside homes	1	10%	12	44%
Tripping hazards	2	20%	7	26%
Total Personal Health and Safety Hazards Observed	20		118	

Fire Safety Hazards	NNAMHS	Percent (10 Homes)	SNAMHS	Percent (27 Homes)
Missing and disabled smoke detectors	4	40%	10	37%
Smoking inside home, predominantly in bedrooms and bathrooms	1	10%	11	41%
Use of candles and burning incense	0	0%	8	30%
Expired, non-inspected, or inaccessible fire extinguishers	9	90%	13	48%
Missing electrical outlet covers and/or exposed wires	0	0%	7	26%
Total Fire Safety Hazards Observed	14		49	

Appendix A

Home Inspection Conditions by Type and Region (continued)

Inadequate Medication Management Practices	NNAMHS	Percent (10 Homes)	SNAMHS	Percent (27 Homes)
Controlled substance log missing, not completed, or not reconciled	1	10%	0	0%
Medication Administration Record (MAR) left blank, not up-to-date, or completed in advance	5	50%	19	70%
MAR not reviewed by management	1	10%	5	19%
Medications not properly stored, including unsecured, commingled, and expired medications	4	40%	9	33%
Total Inadequate Medication Management Practices Observed	11		33	

Bleak Living Conditions	NNAMHS	Percent (10 Homes)	SNAMHS	Percent (27 Homes)
Leaking or clogged plumbing	1	10%	5	19%
Water damage	1	10%	17	63%
Insufficient quantities of food	1	10%	7	26%
Insufficient bedding & linens	3	30%	13	48%
Inadequate lighting	4	40%	23	85%
Holes in walls or floors	2	20%	12	44%
Sheets or shower curtains used as window coverings	1	10%	8	30%
Large quantities of processed and packaged food	0	0%	2	7%
Lack of furniture, or broken furniture	2	20%	13	48%
Non-functioning or damaged appliances	3	30%	12	44%
Roof or exterior damage	1	10%	4	15%
Total Bleak Living Conditions Observed	19		116	

Other Issues	NNAMHS	Percent (10 Homes)	SNAMHS	Percent (27 Homes)
Caregiver spoke limited or no English	0	0%	11	41%
Child living in home	0	0%	2	7%
Caregiver bedridden	0	0%	1	4%
Total Other Issues Observed	0		14	

Source: Auditor observations of CBLA provider homes.

Appendix B

Inspection Conditions by Home and Region

Observations							
NNAMHS	Unsanitary Conditions	Personal Health and Safety Hazards	Fire Safety Hazards	Inadequate Medication Practices	Bleak Living Conditions	Other Issues	Total
Home 1	2	1	1	0	3	0	7
Home 2	5	3	1	0	2	0	11
Home 3	0	2	1	0	0	0	3
Home 4	3	2	2	2	1	0	10
Home 5	3	1	2	1	5	0	12
Home 6	2	2	2	2	1	0	9
Home 7	3	2	1	1	1	0	8
Home 8	5	3	1	0	2	0	11
Home 9	2	3	2	2	2	0	11
Home 10	1	1	1	3	2	0	8
Average							9

Observations							
SNAMHS	Unsanitary Conditions	Personal Health and Safety Hazards	Fire Safety Hazards	Inadequate Medication Practices	Bleak Living Conditions	Other Issues	Total
Home 11	5	5	1	1	4	0	16
Home 12	5	4	1	0	3	0	13
Home 13	1	5	2	1	2	1	12
Home 14	4	5	1	2	2	1	15
Home 15	4	3	3	2	2	0	14
Home 16	4	3	3	1	4	0	15
Home 17	3	3	1	1	4	0	12
Home 18	3	4	2	0	7	0	16
Home 19	3	4	1	2	4	1	15
Home 20	5	4	1	1	7	0	18
Home 21	2	3	1	1	6	1	14
Home 22	1	3	0	1	1	1	7
Home 23	3	3	0	1	6	1	14
Home 24	1	2	1	2	1	0	7
Home 25	2	3	2	2	3	2	14
Home 26	5	4	4	1	4	1	19

Appendix B

Inspection Conditions by Home and Region (continued)

Observations							
SNAMHS	Unsanitary Conditions	Personal Health and Safety Hazards	Fire Safety Hazards	Inadequate Medication Practices	Bleak Living Conditions	Other Issues	Total
Home 27	3	4	1	2	5	0	15
Home 28	1	2	2	0	4	1	10
Home 29	4	3	0	0	4	1	12
Home 30	2	3	0	2	2	2	11
Home 31	3	9	3	2	5	0	22
Home 32	2	9	4	3	3	0	21
Home 33	7	6	4	0	8	0	25
Home 34	4	6	3	1	6	1	21
Home 35	4	7	3	1	8	0	23
Home 36	7	6	3	1	6	0	23
Home 37	7	5	2	2	5	0	21
Average							16

Source: Auditor observations of CBLA provider homes.

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Appendix C

Additional Photographs of Conditions Observed at CBLA Homes

Unsanitary Conditions:



Leaking toilet

Home 11



Dirty and leaking toilet

Home 36



Filth and mold on bathroom floor, tub, and cabinet

Home 32



Leaking, moldy toilet

Home 34

Appendix C

Additional Photographs of Conditions Observed at CBLA Homes (continued)

Unsanitary Conditions:



Dirty bathroom walls

Home 8



Feces on bathroom floor

Home 33



Dirty, moldy shower

Home 20



Dirty bathtub with broken water spigot

Home 26

Appendix C

Additional Photographs of Conditions Observed at CBLA Homes (continued)

Unsanitary Conditions:



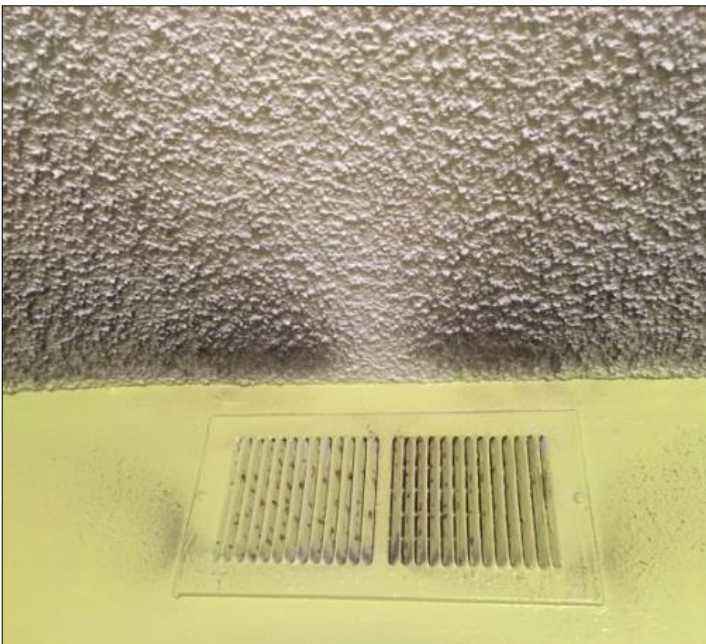
Dirty, greasy kitchen cabinets

Home 13



Dirty kitchen cabinets and pots

Home 17



Dirty ceiling and vents

Home 21



Dirty ceiling

Home 26

Appendix C

Additional Photographs of Conditions Observed at CBLA Homes (continued)

Unsanitary Conditions:



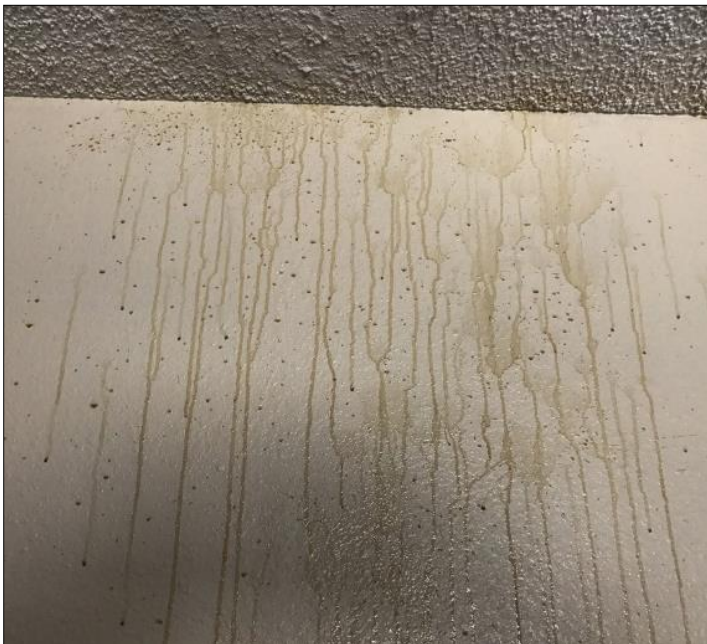
Dirty kitchen wall

Home 27



Dirty, greasy kitchen stove

Home 32



Dirty wall

Home 33



Dirty carpet

Home 36

Appendix C

Additional Photographs of Conditions Observed at CBLA Homes (continued)

Unsanitary Conditions:



Dirty oven

Home 4



Dirty oven with no baking racks, and improper food storage

Home 13



Dirty oven

Home 26



Continued use of rancid cooking oil

Home 18

Appendix C

Additional Photographs of Conditions Observed at CBLA Homes (continued)

Unsanitary Conditions:



Continued use of rancid cooking oil

Home 37



Dirty kitchen dish rack

Home 32



Dirty ceiling fan

Home 31



Dirty air filter and vent

Home 26

Appendix C

Additional Photographs of Conditions Observed at CBLA Homes (continued)

Unsanitary Conditions:



Mold and mildew

Home 4



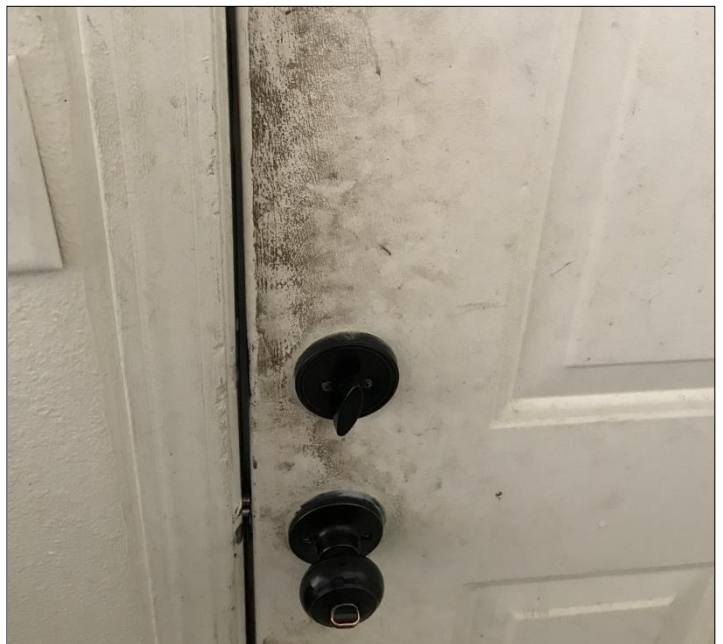
Mold and mildew

Home 12



Mold and mildew

Home 20



Grimy and dirty common door

Home 32

Appendix C

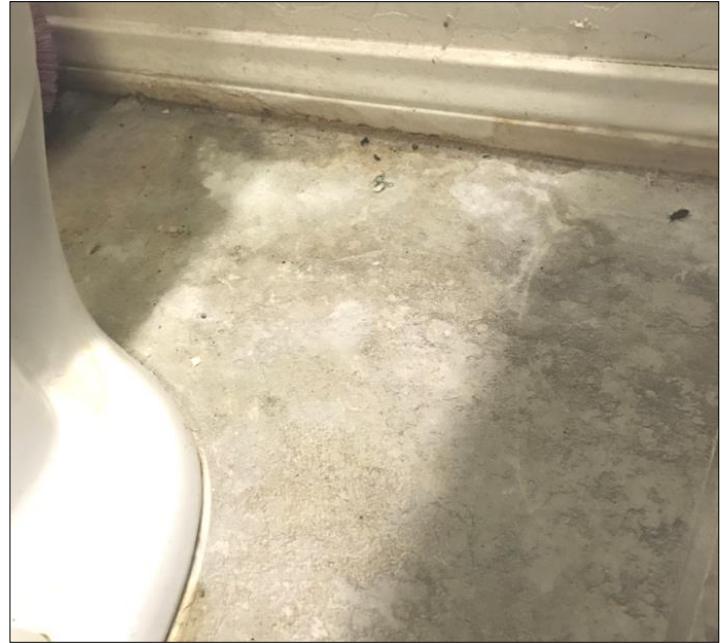
Additional Photographs of Conditions Observed at CBLA Homes (continued)

Unsanitary Conditions:



Rodent droppings and insects

Home 11



Rodent droppings and insects

Home 36



Insects from bathroom floor up wall to top of door frame

Home 16



Insects inside a picture frame in common area

Home 19

Appendix C

Additional Photographs of Conditions Observed at CBLA Homes (continued)

Personal Health and Safety:



Moldy food

Home 7



Exposed food

Home 34



Raw meat stored in open bin in refrigerator

Home 13



Food requiring refrigeration stored in cabinet

Home 32

Appendix C

Additional Photographs of Conditions Observed at CBLA Homes (continued)

Personal Health and Safety:



Broken bedroom door

Home 4



Broken bedroom doorframe

Home 26



Broken bedroom doorknob

Home 32



Broken bedroom door

Home 33

Appendix C

Additional Photographs of Conditions Observed at CBLA Homes (continued)

Personal Health and Safety:



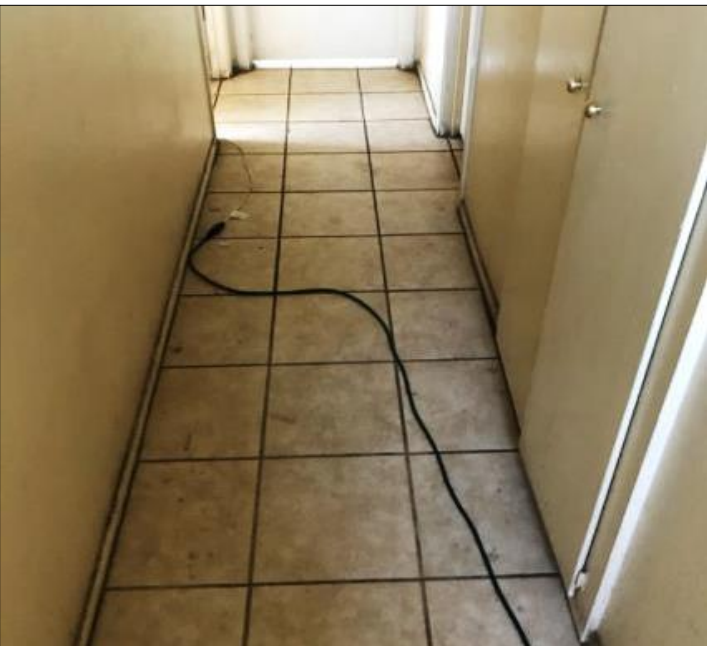
Debris in backyard

Home 1



Debris in backyard

Home 20



Tripping hazard – extension cords in hallway

Home 32



Tripping hazard – uneven flooring leading downstairs

Home 33

Appendix C

Additional Photographs of Conditions Observed at CBLA Homes (continued)

Fire Safety Hazards:



Fire damage on bedroom floor in which no smoke alarm was present

Home 6



Smoking in bedroom

Home 13



Smoking in bedroom

Home 21



Smoking in bedroom

Home 26

Appendix C

Additional Photographs of Conditions Observed at CBLA Homes (continued)

Fire Safety Hazards:



Open flame in bedroom

Home 26



Burning incense next to bedroom curtain

Home 27



Burning incense in bedroom

Home 35



Caregiver trying to find key to inaccessible, old fire extinguisher

Home 11

Appendix C

Additional Photographs of Conditions Observed at CBLA Homes (continued)

Fire Safety Hazards:



No smoke detector

Home 6



Non-functioning smoke detector

Home 9



Non-functioning smoke detector

Home 15



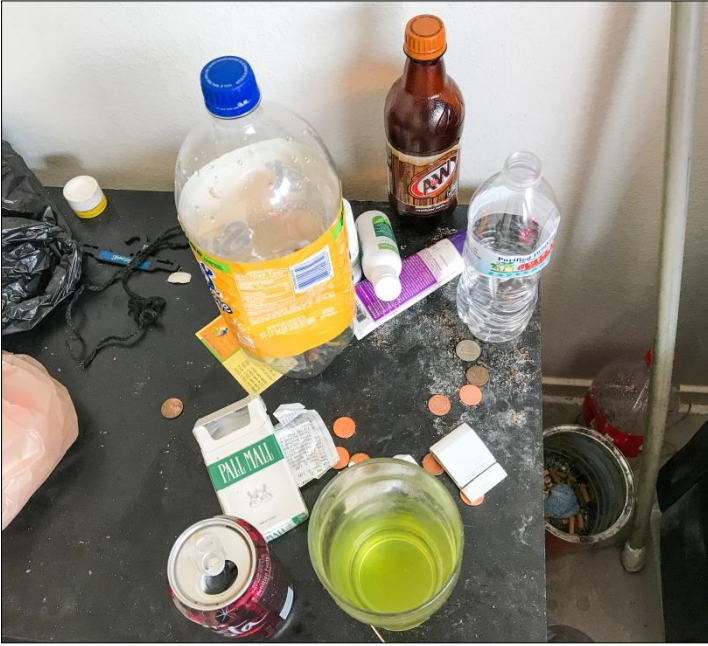
No smoke detector

Home 18

Appendix C

Additional Photographs of Conditions Observed at CBLA Homes (continued)

Fire Safety Hazards:



Smoking in bedroom – nightstand used as an ashtray

Home 34



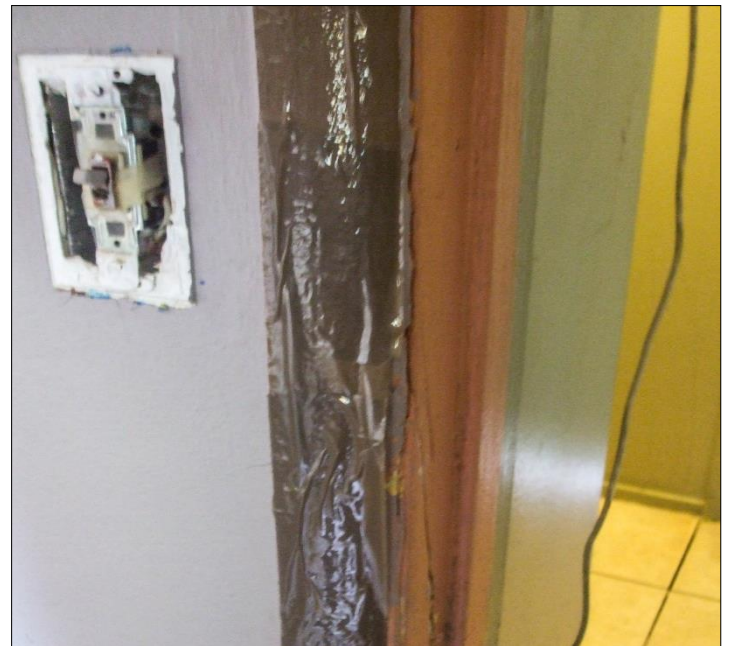
Exposed electrical outlet

Home 12



Non-functioning smoke detector with battery on top

Home 26



Exposed wires, broken doorframe, and wire hanging outside of door

Home 26

Appendix C

Additional Photographs of Conditions Observed at CBLA Homes (continued)

Bleak Living Conditions:



Insufficient bedding, client was using tarp for sheets Home 26



Client's bed is a chair and ottoman pushed together; client indicated no response to complaints Home 34



Insufficient bedding, client sleeping on plastic and not sheets Home 14



Insufficient bedding with no sheets; client sleeping on dirty mattress Home 26

Appendix C

Additional Photographs of Conditions Observed at CBLA Homes (continued)

Bleak Living Conditions:



Broken dresser drawers

Home 10



Insufficient bedroom furniture and storage

Home 11



Broken dresser with food being stored in drawers

Home 33



Broken dresser with wooden shards on bedroom floor

Home 36

Appendix C

Additional Photographs of Conditions Observed at CBLA Homes (continued)

Bleak Living Conditions:



Broken and dirty bedroom window blinds

Home 32



Dirty common area blinds

Home 37



Sheets used for window covering

Home 37



Sheets used for window covering

Home 5

Appendix C

Additional Photographs of Conditions Observed at CBLA Homes (continued)

Bleak Living Conditions:



Bathroom light missing lightbulbs and not functioning Home 20



Ceiling fan missing lightbulbs; no other lighting in bedroom Home 21



Only one lightbulb in light fixture Home 27



Only one lightbulb for bathroom and bedroom; client indicated no response to complaints Home 35

Appendix C

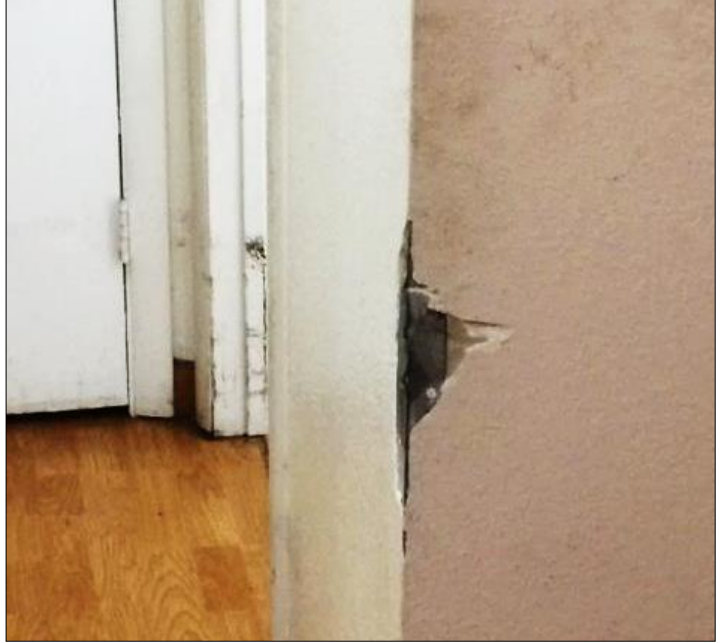
Additional Photographs of Conditions Observed at CBLA Homes (continued)

Bleak Living Conditions:



Approximately 4" x 8" hole in 2nd floor bedroom between two beds

Home 33



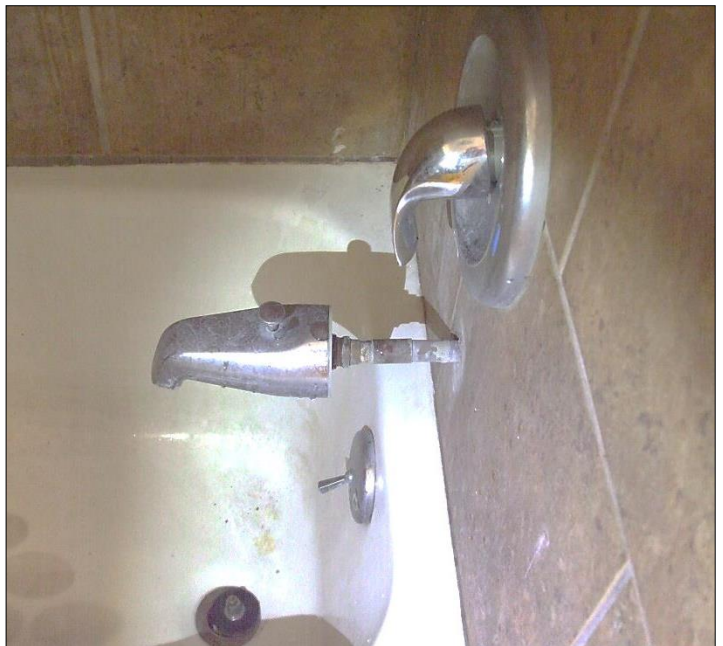
Wall damage in home

Home 1



Wall damage under sink

Home 12



Damaged bathroom tub faucet

Home 16

Appendix C

Additional Photographs of Conditions Observed at CBLA Homes (continued)

Bleak Living Conditions:



Dirty, clogged bathroom sink with hair

Home 36



Water damage and mold under sink

Home 16



Water damaged 2nd floor bathroom

Home 33



Bathroom sink water damage

Home 37

Appendix C

Additional Photographs of Conditions Observed at CBLA Homes (continued)

Bleak Living Conditions:



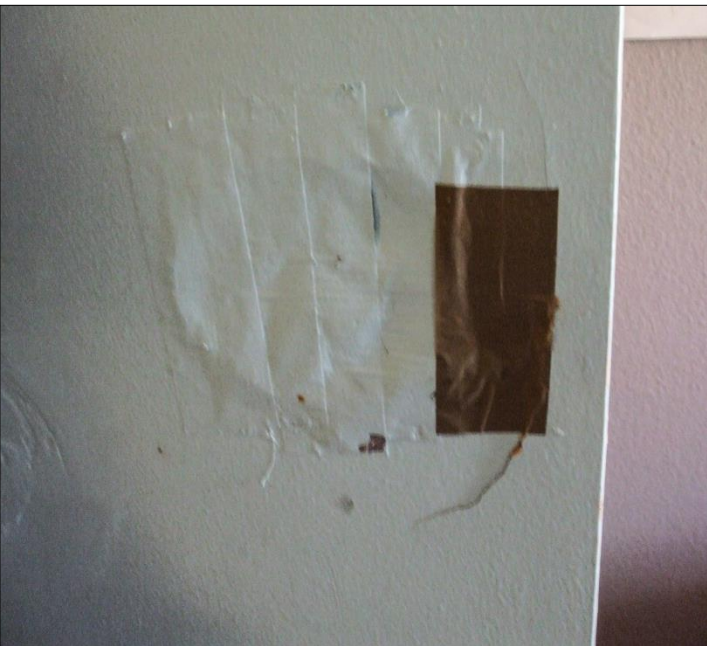
Water damage and mold

Home 3



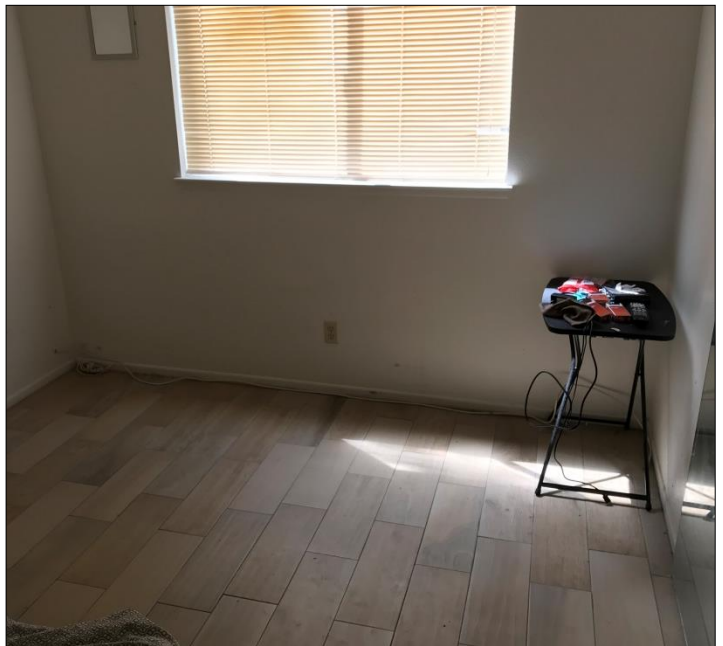
Water damage and mold

Home 18



Bedroom door with tape over hole

Home 26



Insufficient furniture in client room

Home 31

Appendix C

Additional Photographs of Conditions Observed at CBLA Homes (continued)

Bleak Living Conditions:



Insufficient food in home; primarily processed food Home 23



Insufficient food in home; primarily canned food Home 29



Refrigerator with old, rotten food Home 18



Dirty refrigerator with no food Home 33

Appendix C

Additional Photographs of Conditions Observed at CBLA Homes (continued)

Bleak Living Conditions:



Exterior vent damage

Home 4



Exterior wall damage

Home 33



Damaged fence

Home 34



Exterior wall damage above door

Home 35

Appendix D

Audit Methodology

To gain an understanding of the Division of Public and Behavioral Health (Division), adult mental health services (AMHS); we interviewed staff and reviewed statutes, regulations, and policies and procedures significant to its operations. We also reviewed financial information, prior audit reports, budgets, legislative committee minutes, and other information describing AMHS activities. Furthermore, we assessed internal controls over the quality of care of clients placed in community-based living arrangement (CBLA) provider homes, including provider home monitoring and provider home certifications.

To obtain a general understanding of AMHS' quality of care for clients placed in CBLA provider homes, we discussed the monitoring of these clients and the process for certifying providers with the residential services staff at both Northern Nevada Adult Mental Health Services (NNAMHS) and Southern Nevada Adult Mental Health Services (SNAMHS). Furthermore, we attended both Quality Assurance and Service Coordinator home visits and obtained completed home visit documentation to compare with our own observations.

To obtain a more in-depth understanding of the monitoring of clients in provider homes, we obtained a list of current providers and a list of provider homes from residential services staff at each location. We then assessed the reliability of each list by comparing them to provider payments in the state accounting system. We then judgmentally selected 37 provider homes for testing (10 NNAMHS and 27 SNAMHS) based on the number of homes managed by a provider and the location of the home. In addition, we reviewed Division inspection criteria and, using auditor judgement, prepared a comprehensive checklist of standards to be used during our inspections of CBLA homes. We then traveled to provider homes in northern and southern Nevada

and performed unannounced inspections. During the unannounced visits, we went throughout the interior of the homes including common areas, kitchens, bathrooms, and bedrooms, and inspected the exterior of the homes. We noted deficiencies related to poor sanitation, fire safety hazards, medication management practices, personal health and safety hazards, and bleak living conditions. To document our inspections, we used our checklist of Division standards and cameras to capture over 2,000 photographs of our observations.

To verify the quality of Division inspections and to determine if deficiencies observed during Division inspections were corrected, we requested the most recent inspection documentation for the 37 homes tested. We obtained and reviewed both Service Coordinator and Quality Assurance staff's inspection documents and compared them to the deficiencies observed during our inspections, and noted any significant differences.

To determine if the Division adequately certifies CBLA providers, we used the state accounting system to identify CBLA providers at NNAMHS and SNAMHS. We then judgmentally selected a total of 20 providers (10 NNAMHS and 10 SNAMHS) based on the highest payments in fiscal year 2017. To verify providers were certified timely and according to Division standards, we reviewed certification documentation maintained by the Division. In addition, we traveled to provider offices in northern and southern Nevada and reviewed CBLA provider files for evidence of required certification documentation like staff training logs, policies and procedures, staff background checks, and financial reserve information. Furthermore, we discussed certification requirements with CBLA providers.

For our sample design, we used non-statistical audit sampling, which was the most cost-effective method for concluding on our audit objective. Based on our professional judgement, review of authoritative sampling guidance, and careful consideration of underlying statistical concepts, we believe that non-statistical sampling provides sufficient appropriate audit evidence to support the conclusions in our report. Since our audit sampling included

judgmental selection, we did not project our results to the population.

Our audit work was conducted from November 2016 to September 2017. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

In accordance with NRS 218G.230, we furnished a copy of our preliminary report to the Division of Public and Behavioral Health. On October 31, 2017, we met with agency officials to discuss the results of the audit and requested a written response to the preliminary report. That response is contained in Appendix E which begins on page 62.

Contributors to this report included:

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Appendix E

Response From the Division of Public and Behavioral Health

STATE OF NEVADA



**DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF PUBLIC AND BEHAVIORAL HEALTH**
4150 Technology Way, Ste. 300
Carson City, NV 89706

BRIAN SANDOVAL
Governor

RICHARD WHITLEY, MS
Director, DHHS

AMY ROUKIE, MBA
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VACANT
Chief Medical Officer

November 9, 2017

Rocky Cooper, CPA, Legislative Auditor
Legislative Building
Legislative Counsel Bureau
201 S. Carson Street
Carson City, NV 89701-4747

RE: Audit Report of October 2017

Dear Mr. Cooper,

Thank you for the information provided in your audit report of October 18, 2017. The Division of Public and Behavioral Health appreciates all the efforts of the Legislative Counsel Bureau in conducting this review and the work to complete it. Our response to your recommendations is provided below. Please note upon creation of the following policies and procedures, implementation will occur after review and final approval from the Commission on Behavioral Health.

Recommendation 1: Develop additional policies and procedures to ensure inspections are regularly and consistently performed, including regular staff training and monitoring by supervisors, and items requiring corrective action are properly documented.

Response: We accept this recommendation.

The Division will create policies for the residential quality assurance and the certification processes. New policies stemming from the July 1, 2017 commencement of AB 46, which is the legislatively-approved Community Based Living Arrangements (CBLA) oversight and the new regulation R-090-16 will be added to strengthen existing practices. These policies will define the standardized inspection process and clarify timelines for inspections, protocols for staff training, proper recording of deficiency items that warrant corrective action, supervisory responsibilities, and plan for oversight of the certification process.

Recommendation 2: Develop a standardized process for documenting and tracking implementation of corrective actions items.

Response: We accept this recommendation.

The Division will create a policy and procedures to address the standardization of documentation and tracking of corrective action plans implemented by CBLA providers. This policy will delineate training guidelines for oversight for Residential Quality Assurance staff.

Recommendation 3: Develop procedures for tracking corrective action items by provider and home, including regular analysis to ensure corrective action is sustained.

Response: We accept this recommendation.

The Division will create a policy to ensure that CBLA providers are compliant with additional measures of accountability through the enforcement of sustained corrective action. Through policy development, a tracking procedure, combined with an avenue for data analysis, the system will be created in order to monitor and ensure continuous corrective action and compliance.

Recommendation 4: Develop policies and procedures for imposing sanctions when CBLA providers consistently fail to meet standards.

Response: We accept this recommendation.

Per AB 46 and Certification Regulation R-090-16, as of July 1, 2017, the Division has the authority to impose and enforce sanctions when CBLA providers consistently fail to meet standards, as such, the Division will create a policy that defines acceptable standards and sanctions imposed when standards are not met.

Sanctions will include, but not be limited to:

- Notification for corrective action
- Mandated training
- Removal of individuals served by the provider
- Reduction or cessation of referrals
- Termination of the contractual relationship

Recommendation 5: Develop policies and procedures regarding children living in CBLA homes.

Response: We accept this recommendation.

The Division will create a policy to address individuals under the age of 18 years residing or visiting in certified CBLA homes. Guidelines for response and appropriate action will be

addressed in this policy should the Residential Quality Assurance Team discover a violation of the policy during any inspections.

Recommendation 6: Develop policies and procedures regarding language proficiency and essential physical requirements for provider staff that regularly provide one-on-one service to clients.

Response: We accept this recommendation.

The Division will create a policy to provide effective communication between provider staff and individuals served with regards to English proficiency. This policy will include procedures for oversight of clients and communication with them regarding their care, medication adherence and other intended guidance and monitoring of clients, created by the hiring entity.

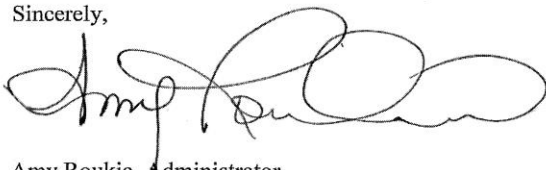
Recommendation 7: Develop policies and procedures to help ensure provider certifications are performed consistently, timely, and comply with recently enacted laws and regulations.

Response: We accept this recommendation.

The Division will create a policy to address the Provider Certification process that was enacted July 1, 2017. As such, the Division will thoroughly define and outline consistent and timely guidelines for the Division's enforcement of the new CBLA Certification Process including but not limited to timeframes.

Thank you again for the opportunity to review, identify, and address areas in which Clinical Services can improve our service delivery system to support the individuals we serve.

Sincerely,



Amy Roukie, Administrator
Division of Public and Behavioral Health

cc. Richard Whitely, Director, DHHS
Eddie Ableser, Deputy Administrator DPBH Clinical Services

Division of Public and Behavioral Health Response to Audit Recommendations

<u>Recommendations</u>	<u>Accepted</u>	<u>Rejected</u>
1. Develop additional policies and procedures to ensure inspections are regularly and consistently performed, including regular staff training and monitoring by supervisors, and items requiring corrective action are properly documented	<u>X</u>	<u> </u>
2. Develop a standardized process for documenting and tracking implementation of corrective action items.....	<u>X</u>	<u> </u>
3. Develop procedures for tracking corrective action items by provider and home, including regular analysis to ensure corrective action is sustained.....	<u>X</u>	<u> </u>
4. Develop policies and procedures for imposing sanctions when CBLA providers consistently fail to meet standards.....	<u>X</u>	<u> </u>
5. Develop policies and procedures regarding children living in CBLA homes	<u>X</u>	<u> </u>
6. Develop policies and procedures regarding language proficiency and essential physical requirements for provider staff that regularly provide one-on-one services to clients	<u>X</u>	<u> </u>
7. Develop policies and procedures to help ensure provider certifications are performed consistently, timely, and comply with recently enacted laws and regulations.....	<u>X</u>	<u> </u>
TOTALS	<u><u>7</u></u>	<u><u> </u></u>