

## Performance Audit of the

# Oversight of the Independent Service Coordination (ISC) Program by the Department of Human Services' Division of Developmental Disabilities

### Background:

On May 15, 2023, the Illinois House of Representatives adopted House Resolution Number 66, which directed the Office of the Auditor General to conduct a performance audit of the oversight of the Independent Service Coordination (ISC) program by the Department of Human Services' Division of Developmental Disabilities (DDD). ISC agencies are contracted with DDD to provide case management/service coordination to individuals with developmental disabilities.

It is the primary responsibility of the Grant Management Unit within DDD to provide monitoring and oversight to the ISC agencies based on all activities in the grant agreements.

During the audit period FY21-FY23, there were eight ISC agencies providing case management services to an average of nearly 25,000 individuals with developmental disabilities. These eight ISC agencies expended more than \$133 million on ISC services.

### Key Findings:

#### Funding for the ISC Program

- The majority of funding provided to ISC agencies is for case management services supported by the Waiver program. These services are billed on a fee-for-service basis and are based on a DHS calculation. The billings are limited to the maximum budget total for each grant. During the audit period, DHS **had not analyzed** the formula that sets the rate which ISC agencies are reimbursed for case management services. DHS **has excluded** ISC agency services from any external reviews and **has not addressed** the recommendations from the reviews involving aspects of the ISC program.
- DHS **rejected** more than \$1.7 million in case management bills submitted by the ISC agencies during the audit period. While some of those rejections could have been for legitimate reasons, our analysis found that **more than 40 percent** of the total rejected bills were for an unknown error. DHS **could not explain** the reasons for the unknown errors. Further, DDD, the Division charged with oversight of the ISC agencies, **does not regularly review** the rejected billing data and **does not have complete access** to all rejected billings.

#### Examination of ISC Caseloads

- DHS **does not have** a set required minimum or maximum ISC case manager ratio (number of individuals served by a case manager) and **does not track** this ratio information. The Community Services Act requires DHS to include case coordination services as part of its community services system and also establishes that one factor of the funding methodologies be staffing ratios.
- DHS **could not provide** the addresses for the entire population of individuals served by ISC agencies. As a result, we reviewed ISC agency coverage on a sample basis. During testing, we found that DHS **did not**

**adhere** to the ISC Manual and **utilized** an **unwritten policy** to allow an individual to choose an ISC agency outside of the individual's assigned region. DHS **could not provide** any additional documentation to support its decision.

### ISC Agency Documentation and Reporting Allegations

- ISC agencies are statutorily required to be mandated reporters of allegations of suspected abuse, neglect, and financial exploitation. However, DHS **does not know** and **does not track** if ISC agencies are statutorily meeting the requirement to report all allegations to the four oversight entities: DHS' Office of Inspector General (OIG), Adult Protective Services (APS) within the Department on Aging, the Department of Children and Family Services (DCFS),

and the Department of Public Health (DPH). During testing, we did not find any instance of noncompliance by the ISC agencies with the mandated reporting requirement.

- **DHS does not regularly share** allegation information with the ISC agencies. In our sample of 75 individuals receiving waiver services, we identified 41 instances of allegations of abuse, neglect, or financial exploitation from OIG and APS data. We found that ISC agencies had **no documentation** to support awareness of a known allegation in 30 out of 41 instances. DHS stated that neither DHS nor anyone else is required to inform the ISC agency of an allegation or share the results of an investigation with the ISC agency.

### **Oversight and Monitoring**

- It is the primary responsibility of the Grant Management Unit within DDD to provide monitoring and oversight to the ISC agencies based on all activities in the grant agreements. However, DDD **failed** to adequately oversee and monitor the ISC program. While ISC agencies receive a number of reviews, we found **overlapping** waiver-focused reviews and **limited** coordination with the Division.
- DDD **has not updated** the ISC Manual to reflect the number of required waiver visits found in the FY23 grant agreements. Additionally, DDD **has not updated** the ISC Manual or the grant agreement to reflect the proper program codes, which was a pre-COVID pandemic change that went into effect more than five years ago.
- ISC agencies are required to complete the person-centered planning process initially and annually. The purpose of the person centered planning process is to gather information about an individual's interests, preferences, and abilities and to outline the delivery of services. During testing, we found **missing or not timely** discovery tool or personal plan updates in at least one fiscal year for 33 of 75 individuals sampled.
- ISC agencies are also responsible for conducting monitoring visits to ensure implementation of the personal plan, as well as ensure the health, safety, and welfare of individuals receiving developmental disability services. During testing, we found **only** 86 percent of the required visits were conducted for the 75 individuals sampled.
- DHS **did not monitor** the Americans with Disabilities Act (ADA)/Olmstead Outreach and Housing Navigator pilot programs. These programs were new for FY23 and provided a total of \$725,000 in funding to the ISC agencies. DHS **failed** to request grant funds back from one ISC agency, Champaign County Region Planning Commission, who received more than \$49,000 in funding for both programs, yet admittedly **did not conduct** any of the required activities for either program. We reviewed Housing Navigator program information and found three out of eight ISC agencies **did not secure housing** for a single individual as part of the Housing Navigator program. Additionally, the ISC agencies **did not always** provide complete information on the required grant deliverables, and **did not always** conduct the training, presentations, and meetings as required.

### **Key Recommendations:**

The audit report contains twelve recommendations directed to DHS including:

- DHS should regularly and systematically review the ISSA formula utilized to fund the case management services provided by the ISC agencies.
- DHS should regularly analyze the rejected billings and ensure the reasons for rejection are appropriate. Additionally, DHS should specifically review billings rejected for an unknown error and facilitate any needed corrections.
- DHS should set case manager ratios and should track ISC case manager information to ensure all grant required activities can reasonably be conducted.
- DHS should follow the ISC Manual and require each individual to only be served by the ISC agency assigned to the specific region of residence. If DHS decides to allow exceptions to the Manual, those exceptions should be included in a written policy and documented in individual case files.
- DHS should ensure all allegations reported to oversight entities (including the DHS Office of the Inspector General, Adult Protective Services, the Department of Children and Family Services, and the Department of Public Health) for developmentally disabled individuals are maintained by DHS and shared with the respective ISC agencies.
- DHS should update the ISC Manual and grant agreements to ensure accurate and consistent guidance is provided to the ISC agencies.

This performance audit was conducted by the staff of the Office of the Auditor General.

## Report Digest

On May 15, 2023, the Illinois House of Representatives adopted House Resolution Number 66, which directed the Office of the Auditor General to conduct a performance audit of the oversight of the Independent Service Coordination (ISC) program by the Department of Human Services' Division of Developmental Disabilities (DDD). The Resolution contained several issues to examine. Our assessment of these determinations is shown in Digest Exhibit 1. (page 1)

### Digest Exhibit 1

#### ASSESSMENT OF AUDIT DETERMINATIONS

Determination from Audit Resolution	Auditor Assessment
<i>An examination of the caseloads, by ISC agency, around the State to determine whether ISC agencies are providing coverage based on agreements with the State.</i>	<ul style="list-style-type: none"> <li>• DHS does not have a set required minimum or maximum ISC case manager ratio and does not track this ratio information.</li> <li>• DHS did not adhere to the ISC Manual and utilized an unwritten policy to allow an individual to choose an ISC agency outside of the individual's assigned region. (pages 30-35)</li> </ul>
<i>An examination of whether ISC agencies maintain documentation and report allegations of suspected abuse, neglect, and financial exploitation to the appropriate oversight entity.</i>	<ul style="list-style-type: none"> <li>• DHS does not know and does not track if ISC agencies are statutorily meeting the requirement to report all allegations to the four oversight entities. Auditors did not find any instances of noncompliance by the ISC agencies with the mandated reporting requirement.</li> <li>• ISC agencies are required to conduct additional monitoring visits to ensure the health, safety, and welfare of an individual. However, DHS does not regularly share information with the ISC agencies. ISC agencies cannot conduct additional visits if the information is not known. (pages 36-44)</li> </ul>
<i>An examination of the oversight and monitoring of ISC agencies by DHS ensuring that the ISC agency complies with statutory, regulatory, and contract requirements, including site visits and inspections of records and premises.</i>	<ul style="list-style-type: none"> <li>• Auditors found significant deficiencies with DHS' oversight and monitoring of the ISC agencies. (pages 45-74)</li> </ul>
Source: OAG assessment of the audit determinations contained in House Resolution Number 66.	

## Background

A waiver program is a program that provides services to help people remain in their homes or communities instead of in an institution.

Independent Service Coordination (ISC) agencies serve as the primary connection between individuals (and guardians) who are seeking or receiving developmental disability services and the Illinois Department of Human Services (DHS). ISC agencies contract with DHS' Division of Developmental Disabilities (DDD) to perform their duties. DDD operates a Waiver program that specifically applies to developmentally disabled individuals receiving case management by the ISC agencies. These Waiver services accounted for approximately 70 percent, or \$93.6 million of the total \$133.4 million, in funding received by the ISC agencies. (page 2)

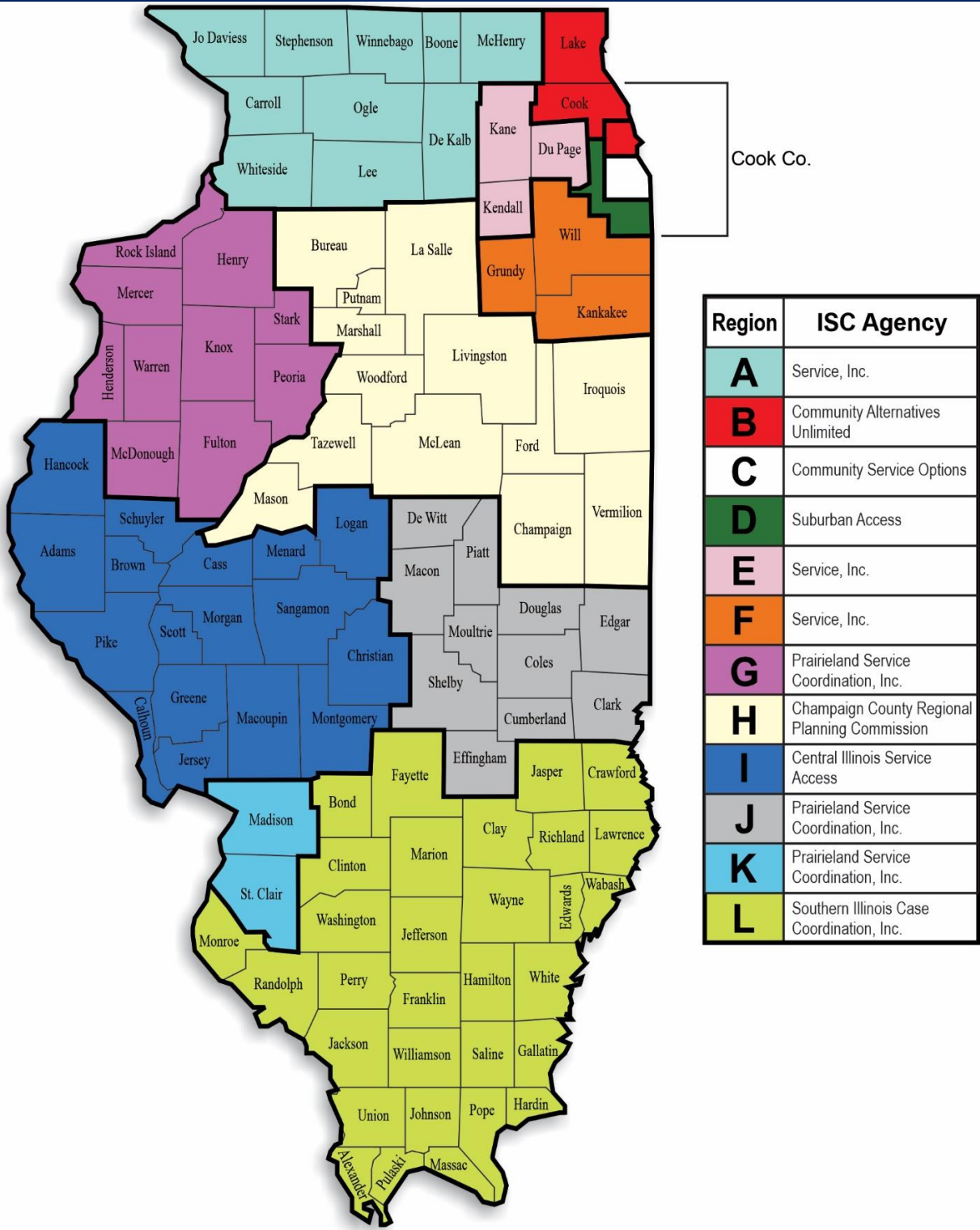
## Names and Locations of ISC Agencies

During the audit period, there were eight ISC agencies providing services throughout the State. Each ISC agency is responsible for a specific region of the State. Two of the eight ISC agencies were responsible for more than one region. The ISC agency located in the geographic area in which the individual resides is the designated ISC agency for that individual. Digest Exhibit 2 shows a map of ISC regions during FY21 through FY23. (pages 2,4)

## Department of Human Services

The Community Services Act (405 ILCS 30/1) directs DHS to assume leadership in providing an array of services for persons with mental health and/or developmental disabilities that will strengthen the individual's self-esteem, participate in and contribute to community life, and prevent unnecessary institutionalization. DHS primarily utilizes the Division of Developmental Disabilities to oversee the ISC program. (page 9)

Digest Exhibit 2  
ISC REGIONS  
FY21-FY23



Source: OAG developed from DHS information.



## Home and Community-Based Services Waiver Program

The Waiver program directly applies to one of the responsibilities of the ISC agencies, Individual Service and Support Advocacy (ISSA) Services, which is specifically for service coordination or case-management. The ISC program utilizes three separate Waivers: Adult Waiver, Children’s Support Waiver, and the Children’s Residential Waiver. (pages 10-11)

### Waiver Program Populations

We requested and received the population of individuals enrolled in any of the three Waivers at any point during the audit period. The population is based on the fee-for-service billings by individuals for case-management services submitted by the ISC agencies. As seen in Digest Exhibit 3, the vast majority of individuals that received Waiver services are in the Adult Waiver. (page 11)

Digest Exhibit 3

#### INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES BY WAIVER TYPE FY21-FY23

Waiver	FY21	FY22	FY23
Adult	22,542	23,261	23,653
Children’s Support	879	820	832
Children’s Residential	177	157	135
<b>Totals <sup>1</sup></b>	23,598	24,238	24,620

Note: <sup>1</sup> There are approximately 300 individuals in each of the fiscal years who are not included in the totals. These individuals have a client type that includes more than one of the Waivers.

Source: OAG developed from DHS Waiver billing data.

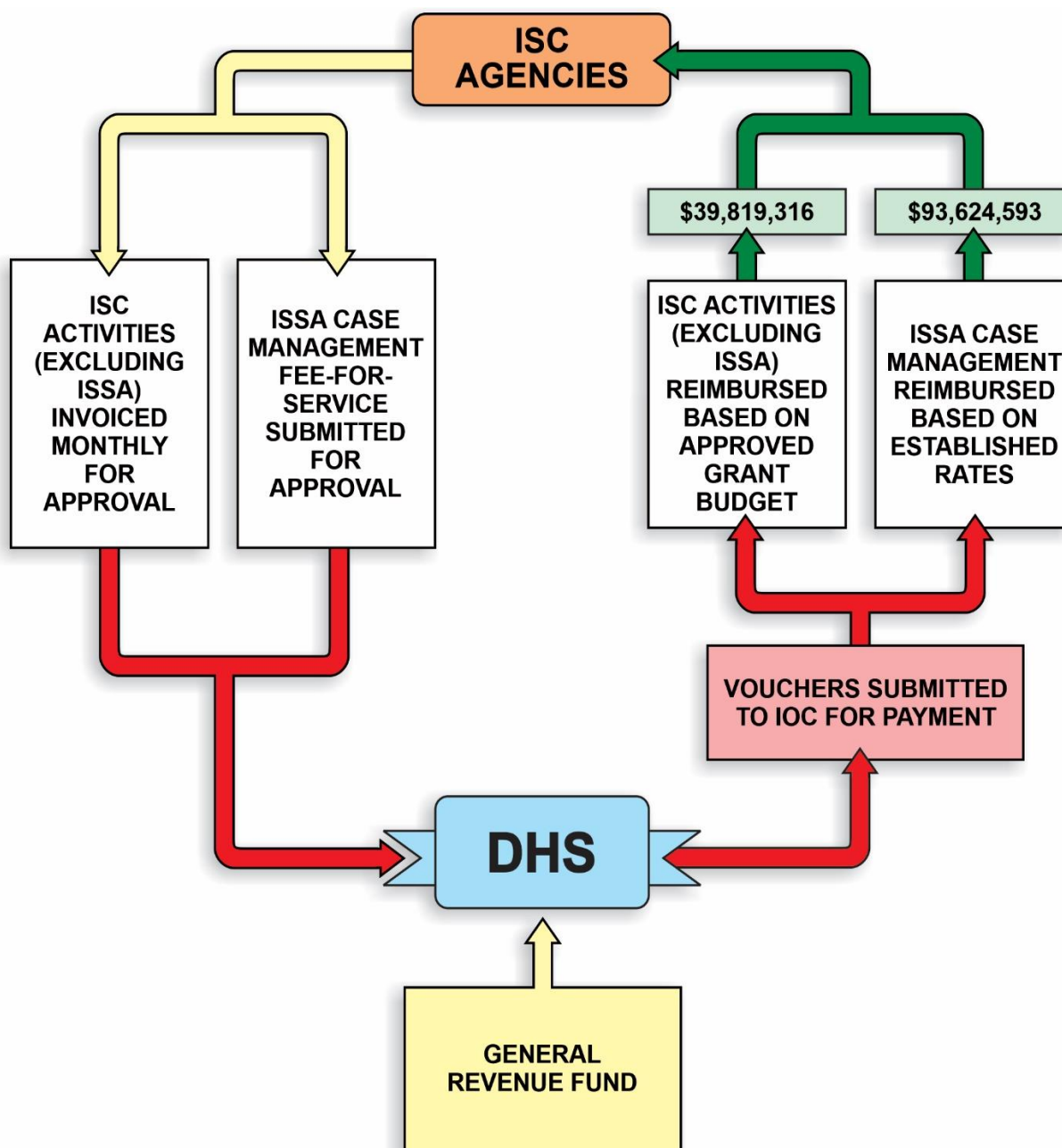
## Funding for ISC Program

ISC activities are solely paid from the General Revenue Fund (GRF). The specific GRF appropriation utilized for ISC agency payments was *for grants and administrative expenses for Community-Based Services for Persons with Developmental Disabilities and for Intermediate Care Facilities for the Developmentally Disabled and Alternative Community Programs*. During the audit period, this Fund contained approximately \$4.7 billion. Only a very small portion of that GRF, approximately \$133 million, was used to support ISC agency services. (page 12)

### Flow of Funds

ISC agencies bill for services in two ways. The first way is by reporting the ISSA case-management fee-for-service bills by individual through the Reporting of Community Services (ROCS) software. The second way is by submitting monthly grant invoices for prior months’ costs on all other ISC activities via invoice to DDD for approval. These costs are billed by ISC agencies against the approved grant budgets. Digest Exhibit 4 contains a flow chart of ISC agency funding. (pages 13-14)

Digest Exhibit 4  
**FLOW OF FUNDING FOR ISC AGENCY SERVICES**  
 FY21-FY23



Source: OAG developed from DHS information.

### Formula Analysis

During the audit period, DHS **had not analyzed** the ISSA formula to determine whether the formula is sufficient to cover actual ISSA costs; **has excluded** ISC services from any external reviews; and **has not addressed** any of the

recommendations from external reviews involving aspects of the ISC program. ISSA funding provided to the ISC agencies represents a significant amount of overall ISC agency funding, accounting for approximately 70 percent of the overall funding the ISC agencies received during FY21 through FY23. (page 15)

### Grant Award Amounts

During the audit period, grant **award** amounts to the eight ISC agencies covering 12 regions totaled approximately \$143.7 million. Two ISC agencies, Service Inc. and Prairieland Service Coordination Inc., were each awarded three regions. From FY22 to FY23, ISC agencies received an overall 22.4 percent increase in the total amount of awarded grant funds. This increase was primarily the result of additional responsibilities required of each of the ISC agencies in FY23. (page 18)

### ISC Agency Payment Amounts

For the period FY21 through FY23, the State **expended** \$133.4 million on ISC agency services, \$10.3 million less than was awarded. Digest Exhibit 5 shows a comparison of the ISC agency grant award and payment amounts by fiscal year. ISC agencies reported the ISSA rate and hours are not sufficient to cover actual costs. Yet, the exhibit shows not all of the awarded ISSA funds were claimed by the ISC agencies. (pages 19-20)

Digest Exhibit 5

#### COMPARISON OF ISC AGENCY GRANT AWARD AMOUNTS TO ACTUAL PAYMENTS FY21-FY23

	FY21	FY22	FY23	Total
<b>ISSA Case Management</b>				
Award amount	\$30,099,724	\$31,645,405	\$40,729,825	\$102,474,954
Actual payment	\$28,529,730	\$29,593,457	\$35,501,407	\$93,624,594
<b>Difference:</b>	<b>\$1,569,994</b>	<b>\$2,051,948</b>	<b>\$5,228,421</b>	<b>\$8,850,360</b>
<b>All Other ISC Activities</b>				
Award amount	\$13,330,502	\$13,438,512	\$14,465,074	\$41,234,088
Actual payment	\$12,608,562	\$12,996,591	\$14,214,163	\$39,819,316
<b>Difference:</b>	<b>\$721,940</b>	<b>\$441,921</b>	<b>\$250,911</b>	<b>\$1,414,772</b>

Source: OAG developed from DHS ISC payment information.

### Rejected Billings

DHS rejected **more than \$1.7 million** in ISSA billings submitted by the ISC agencies during the audit period for Waiver services. While some of these billings may have been rejected for legitimate reasons, DHS was not aware and could not explain 41 percent of the total rejections which were for an “**error unknown.**”



The Community Services Act (405 ILCS 30/1-3) requires DHS to facilitate and establish a service system for individuals with a developmental disability, among others. One of the areas in this service system is case coordination. In order to achieve the intent of the Act, DHS is responsible for planning and quality assurance.

Absent a review and analysis of the rejected billings, DHS cannot determine if the rejection reasons are appropriate or if ISC agency funding for case coordination services is inappropriately denied. (pages 20-23)

### ISC Program

DHS entered into grant agreements with the eight ISC agencies during each year of the audit period. Each grant agreement outlined the areas of ISC agency responsibility. The responsibilities outlined in the agreements for FY21 and FY22 were generally consistent. In FY23, however, DHS increased the responsibilities of the ISC agencies. Digest Exhibit 6 lists the areas of ISC agency responsibility during FY21 through FY23; most areas are explained in more detail in the following sections. (page 24)

#### Digest Exhibit 6

#### GRANT AGREEMENT DELIVERABLES

FY21-FY23

Deliverable	FY21	FY22	FY23
Initial Eligibility and Linkage	X	X	X
Prioritization of Urgency of Need for Services (PUNS)	X	X	X
Pre-Admission Screening (PAS)	X	X	X
Individual Service and Support Advocacy (ISSA) <sup>1</sup>	X	X	X
State-Operated Developmental Center (SODC) Transition Support <sup>1</sup>	X	X	X
Bogard Modified Consent Decree	X	X	X
Americans with Disabilities Act (ADA)/Olmstead Outreach			X
Housing Navigator			X

Note: <sup>1</sup> Individual Service and Support Advocacy and SODC transition activities were included in the agreements for all fiscal years of the audit period; however, in FY23 the required ISSA visits increased from two to four and more responsibilities for SODC transition support were added.

Source: OAG developed from ISC grant agreements.

### Prioritization of Urgency of Need for Services (PUNS)

ISC agencies are required to maintain the PUNS list for Waiver services. PUNS is the database that registers individuals who want or need Waiver services. ISC agencies are responsible for both the initial enrollment, as well as the annual update of information. (pages 24-25)

### Pre-Admission Screening (PAS)

PAS is for individuals seeking services where a developmental disability is suspected. The ISC agency is responsible for all initial activities, including, but

not limited to, conducting the discovery and personal planning processes and monitoring transition of individuals for the four weeks following the start of Waiver services. (page 25)

### **Individual Service and Support Advocacy (ISSA)**

ISSA is defined as service coordination or case management to persons who are enrolled in a Home and Community-Based Service Waiver. ISC agency responsibilities include, but are not limited to, participation in the discovery tool and personal plan, conducting monitoring visits and annual redeterminations and reporting allegations of abuse, neglect, and financial exploitation. (pages 25-26)

### **State-Operated Developmental Center (SODC) Transition Support**

ISC agencies continue to have responsibilities to individuals transitioning from an SODC. ISC agencies are required to conduct post-transition visits when an individual transitions from an SODC to a community-based setting. However, during the audit period, the expectations increased to support individuals throughout the transition process rather than just post-transition. (pages 26-27)

### **Bogard Modified Consent Decree**

DHS is required to follow the Bogard Modified Consent Decree signed July 25, 2000, for individuals identified as Bogard-class members. Class members are designated by DDD. The responsibilities of ISC agencies to Bogard-class members vary depending on membership in an approved Medicaid Waiver. Members in an approved Medicaid Waiver receive ISSA or case-management services. The Bogard section outlined in the grant agreements is specific to class members in a **non-Waiver** setting. The main difference is members in a non-Waiver setting receive **monthly** service coordination visits; whereas, Bogard-class members in a Waiver setting follow ISSA visiting requirements. (page 27)

### **Americans with Disabilities Act (ADA)/Olmstead Outreach**

New for FY23, ISC agencies were responsible for conducting outreach to ensure individuals who reside in intermediate care facilities for individuals with developmental disabilities (ICF/DD) and SODCs are aware of community-based services and other living options and the process for access and making informed decisions. According to DHS, it provided a total of **\$368,356** to the eight ISC agencies in the ADA/Olmstead Outreach in FY23. (page 27-28)

### **Housing Navigator**

Also new for FY23 was the Housing Navigator program. This program was considered a pilot program for FY23 and FY24. The purpose of this program is to help individuals with developmental disabilities find housing options in Illinois communities. It is the responsibility of the ISC agencies to work with the housing navigators to help individuals with developmental disabilities **identify and apply** for housing options that are landlord-based and individuals will have a lease. DHS provided a total of **\$360,000** to the seven ISC agencies participating in the Housing Navigator program in FY23. (pages 28-29)

## Examination of ISC Agency Caseloads

The ISC agency grant agreements do not include any requirements related to caseloads. DHS does not track the number of case managers employed by the ISC agencies and overseeing the individuals receiving Waiver services in each of the regions. (page 30)

### Caseload

DHS defines caseload as the number of individuals in need of case management being served by a single caseworker at a given time. Case management is provided by ISC agencies through ISSA. During the audit period, case management accounted for approximately 70 percent of the total funds received by the ISC agencies. Digest Exhibit 7 presents the count of all individuals receiving Waiver services by region during at least one month of each of the fiscal years. Service, Inc. was the ISC agency providing case management to the most individuals in each of the fiscal years. (pages 30-31)

Digest Exhibit 7

#### **WAIVER PARTICIPATION BY REGION** FY21-FY23

<b>Region</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>
Region A – Service, Inc.	1,817	1,893	1,932
Region B – Community Alternatives Unlimited	4,975	5,069	5,126
Region C – Community Service Options, Inc.	1,866	1,981	1,992
Region D – Suburban Access, Inc.	3,436	3,573	3,607
Region E – Service, Inc.	2,070	2,188	2,281
Region F – Service, Inc.	1,883	1,942	1,992
Region G – Prairieland Service Coordination, Inc.	1,188	1,199	1,201
Region H – Champaign County Regional Planning Commission	1,562	1,579	1,555
Region I – Central Illinois Service Access, Inc.	1,206	1,196	1,199
Region J – Prairieland Service Coordination, Inc.	949	957	986
Region K – Prairieland Service Coordination, Inc.	1,015	1,042	1,084
Region L – Southern Illinois Case Coordination Services, Inc.	1,958	1,936	1,955
<b>Totals</b>	<b>23,925</b>	<b>24,555</b>	<b>24,910</b>

Source: OAG developed from DHS Waiver billing data.

### Case Manager Ratio

ISC agencies were unable to provide consistent caseload information. ISC agency caseloads were continually changing, and ISC agencies reported a number of factors during the audit period, which affected caseloads.

The Community Services Act (405 ILCS 30/2(c)) requires DHS to include case coordination services as part of its community services system. The Act (ILCS

30/4(e)) also establishes that funding methodologies must include staffing ratios among other factors and is to include ISC agencies in any funding methodologies.

Absent requiring a staffing ratio, DHS cannot include this statutorily required factor in its funding methodology, which should be considered when setting the ISSA rate, the rate at which ISC agencies are ultimately reimbursed for case-management services. (pages 31-33)

### **Unwritten Policy for ISC Agency Selection**

DHS utilized an unwritten policy to allow an individual to choose an ISC agency outside of the assigned region. DHS said DDD has approved requests for changes to ISC agencies for case management as a result of a disagreement or conflict, but there is an expectation on the ISC agency and individual to go through the conflict resolution process described in the ISC Manual. DHS **did not provide** evidence that the conflict resolution process was used for the individual in the sample. DHS also **did not provide** approval documentation allowing the individual to choose an ISC agency outside of the assigned region. (pages 33-35)

### **ISC Agency Documentation and Reporting Allegations**

ISC agencies are statutorily required to be mandated reporters of allegations of suspected abuse, neglect, and financial exploitation. ISC agencies specifically report allegations to DHS Office of the Inspector General (OIG), Adult Protective Services (APS) within the Department on Aging, the Department of Children and Family Services (DCFS), and the Department of Public Health (DPH).

DHS OIG receives such allegations for individuals residing in Community Integrated Living Arrangements or incidents occurring at Community Day Services. APS receives allegations for individuals enrolled in the Adult-Based Support Services Program. DCFS receives allegations for individuals residing in a Child Group Home or participating in a Children's Home-Based Support Services Program. DPH receives allegations for individuals residing in an Intermediate Care Facility or a Community Living Facility. As shown in Digest Exhibit 8, OIG and APS were the reportable entities for **95 percent** of all individuals in FY23. (pages 36-39)

## Digest Exhibit 8

**SUMMARY OF OVERSIGHT ENTITIES**

FY23

Oversight Entity	Client Type Reportable to Entity <sup>2</sup>	Count of Individuals
Office of the Inspector General	C – CILA	12,417
	D – Day Program	
	S – SODC Community Day Service	
Adult Protective Services	H – Adult Home Based Supports	11,236
Department of Children and Family Services	G – Children's Home Based Supports	967
	R – Children's Residential Waiver	
Department of Public Health <sup>1</sup>	B – Bogard	63

Note: <sup>1</sup> The Bogard data is reported for the month of June 2023, not all of FY23 like the other entities. The Bogard data for June 2023 totaled 402 individuals. During June 2023, there were 63 individuals living in an ICF/DD arrangement reportable to DPH. The remaining 339 individuals were either receiving Waiver services and captured with another oversight entity or were classified with specialized services or other residence. These 339 individuals are not included in the Exhibit.

Note: <sup>2</sup> The Waiver billing data also included a total of 290 individuals with a client type of purchase of service. This client type is not specific to a single entity. It includes the following arrangements: Community Living Facilities (DPH), Child Care Institutions (DCFS), special home placements (APS) and supported living arrangements (DPH). These 290 individuals are not included in the Exhibit.

Source: OAG developed from DHS Waiver billing data and Bogard data.

**ISC Agencies as Mandated Reporters**

The ISC agency grant agreements require the ISC agencies to report any allegations of abuse, neglect, and financial exploitation via DDD guidelines and regulations. We asked DHS if there was a centralized location for ISC agencies to report allegations and how DHS knows if all allegations were reported. DHS said ISC agencies **may** utilize DDD's complaint process for reporting an allegation. However, DHS **did not report** having a centralized location for capturing allegation information reported by the ISC agencies.

ISC agencies are often not in situations to firsthand witness reportable allegations of abuse, neglect or financial exploitation. In FY21 and FY22, ISC agencies were only required to conduct two monitoring visits per year, and during FY21, those visits were conducted virtually due to the pandemic. In FY23, ISC agencies were required to conduct four visits. We asked each of the ISC agencies about their experiences witnessing reportable allegations. The eight ISC agencies generally said that if each is going to witness a reportable allegation, it is during one of the monitoring visits. (pages 39-40)

**Additional ISC Agency Monitoring**

We examined whether ISC agencies are conducting the necessary **follow-up** visits to ensure the health, safety, and welfare of individuals. The ISC agency grant agreements require ISC agencies to conduct monitoring visits that are **in addition** to the required monitoring visits and may be necessary to ensure the health, safety, and welfare of an individual. The ISC Manual outlines where an ISC



agency “*should complete an additional face to face visit to address the specific circumstance...Documentation should include confirmation that the events related to the circumstance no longer present a risk to the individual.*” The list of circumstances found within the ISC Manual includes, but is not limited to, investigative findings of egregious neglect, abuse, and/or exploitation and other situations, which create concerns related to health, well-being, and service provision.

But, according to DHS, neither DHS nor anyone else is required to inform the ISC agency of an allegation or share the results of an investigation. However, DHS says they follow **best practices**. DHS also said that ISC agencies follow best practices and conduct follow-up on all allegations reported to OIG, DPH, and DCFS as needed even though it is not required in the grant agreements. Again, we note, according to DHS, no one is required to notify the ISC agency of any allegations or results of an investigation. **ISC agencies cannot conduct follow-up if they are not informed that an allegation was reported or that the results of an investigation were finalized.** (pages 40-41)

### Sampling and Testing Results

We judgmentally sampled 75 individuals receiving Waiver services. This sample was used to test two areas related to allegations:

- to determine if the monitoring notes contained information that should have been reported to the appropriate oversight entity; and
- to determine if the ISC agency case files contained evidence to support that the ISC agency was aware and conducted follow-up on allegations to ensure health, safety, and welfare of an individual.

We **did not find** any evidence in FY21 through FY23 in any of the individual sample cases where the documentation maintained by the ISC agency contained information that should have been reported as an allegation. With regard to ISC awareness of OIG and/or APS allegations, 41 of 75 individuals in our sample had related allegations. We reviewed the case files for each and found that ISC agencies had no documentation to support knowledge of the allegation in 73 percent, or 30 of 41, cases in FY21 through FY23.

ISC agencies should have knowledge of such allegations in all cases in order to comply with the grant agreements by ensuring the health, safety, and welfare of all individuals as required. As the oversight entity to the ISC agencies, DHS should ensure DPH and DCFS are sharing the information not only with the ISC agencies, but also DHS.

Absent a system requiring DHS notification when allegations are reported to the mandated reporting entities and information sharing with the ISC agencies, DHS cannot ensure ISC agencies are conducting the additional monitoring as required. Further, when allegation-related information is not shared with the ISC agencies, the ISC agencies cannot ensure the health, safety, and welfare of the developmentally disabled individuals, which they oversee. When the allegation information is not shared with DHS, DHS **cannot** monitor the ISC agencies to

ensure the necessary follow-up is being conducted to ensure the health, safety, and welfare of the individuals. (pages 41-44)

### **Oversight and Monitoring**

DDD is the Division charged with oversight and monitoring of the ISC agencies. However, ISC agencies are reviewed by a number of entities within DDD and external to DDD. We found **overlapping** Waiver-focused reviews and **limited coordination** with DDD. Additionally, the ISC agencies utilize two main IT systems, Birdseye and ROCS, for reporting purposes and for requesting funds. A third system, Mobius, was also utilized for review of certain ISC agency areas. DDD had **limited access** to this information, information that could have been helpful for oversight and monitoring of the ISC agencies. (page 45-46)

### **Grant Management Unit and Other Waiver-Focused Reviews**

It is the primary responsibility of the Grant Management Unit within DDD to provide monitoring and oversight to the ISC agencies based on **all** activities in the grant agreements. The ISC agencies are required by the grant agreements to submit quarterly performance fiscal reports to the Grant Management Unit.

In addition to the Grant Management Unit, there are at least three other entities that conduct formal reviews actively focused on the Waiver services (ISSA) provided by the ISC agencies. These reviews are conducted on a sample basis. These three entities are: **Bureau of Quality Management (BQM)** within DDD; **Quality Improvement Organization (QIO)**, Public Consulting Group, contracted by the Department of Healthcare and Family Services; and **Ligas Court Monitor and the University of Illinois at Chicago** to conduct the Ligas review. (pages 46-47)

### **Schedule of Reviews**

ISC agencies are subjected to a **significant number** of reviews, which are **overlapping and not coordinated**. Digest Exhibit 9 shows an example of the schedule of reviews during the audit period for one ISC agency and the summary of each review. This schedule of reviews also includes the 12 quarterly performance and fiscal reports. Each of the quarterly performance and fiscal reports were to be provided to DHS no later than 15 days following the end of each quarter. (pages 50-51)

Digest Exhibit 9  
**EXAMPLE OF REVIEWS AT AN ISC AGENCY**  
 FY21-FY23

Date of Request or Review	Entity Reviewing	Summary of Review
08/13/20	OCA	Fiscal Administrative
10/15/20	DDD	FY21 Q1 Performance and Fiscal Reports
11/16/20	BQM	FY21 Review – 51 Individuals
01/15/21	DDD	FY21 Q2 Performance and Fiscal Reports
04/15/21	DDD	FY21 Q3 Performance and Fiscal Reports
05/10/21	HFS - QIO	FY21 Review – 40 Individuals
07/15/21	DDD	FY21 Q4 Performance and Fiscal Reports
08/23/21	BQM	FY22 Review – 37 Individuals
10/15/21	DDD	FY22 Q1 Performance and Fiscal Reports
01/15/22	DDD	FY22 Q2 Performance and Fiscal Reports
04/15/22	DDD	FY22 Q3 Performance and Fiscal Reports
04/18/22	HFS - QIO	FY22 Review – 31 Individuals
07/15/22	DDD	FY22 Q4 Performance and Fiscal Reports
09/19/22	BQM	FY23 Review – 39 Individuals
10/15/22	DDD	FY23 Q1 Performance and Fiscal Reports
11/11/22	Ligas	FY23 – 9 Individuals
12/06/22	Ligas	FY23 – 12 Individuals
01/05/23	Ligas	FY23 – 7 Individuals
01/15/23	DDD	FY23 Q2 Performance and Fiscal Reports
02/13/23	Ligas	FY23 – 12 Individuals
04/15/23	DDD	FY23 Q3 Performance and Fiscal Reports
07/15/23	DDD	FY23 Q4 Performance and Fiscal Reports

Source: OAG developed from ISC agency reviews.

### Inconsistent and Inaccurate Guidance

DDD **has not updated** the ISC Manual to reflect the number of required Waiver visits found in the FY23 grant agreements. Additionally, DDD **has not updated** the ISC Manual or the grant agreements to reflect the proper program codes, which was a pre-COVID pandemic change that went into effect more than five years ago. When the ISC Manual does not accurately reflect the required number of monitoring visits, there is potential the ISC agency does not conduct the correct number of visits. When the grant agreements and the ISC Manual do not accurately reflect the proper program codes, there is potential that an ISC agency can incorrectly bill for the services each provides. (pages 52-54)

### DDD Monitoring of ISC Agency Activities

DDD is charged with the primary oversight of the ISC agencies. The agreements dictate the required activities to be conducted by the ISC agencies. The Grant Management Unit receives the ISC agency reporting that should be used to monitor the ISC program. (page 54)

### Prioritization of Urgency of Need for Services (PUNS)

DHS **did not always enforce** the 95 percent timely annual PUNS update requirement. Our review of the audit period found four out of eight ISC agencies were out of compliance in at least three quarters in FY21. The percentage range of overdue PUNS updates during that fiscal year was 5.1 percent to 27.2 percent. There was additional noncompliance in FY22 and FY23. Digest Exhibit 10 shows the percentage of overdue PUNS by ISC agency. The orange shading is used to represent any quarter an ISC agency was not compliant with the performance standard (any percentage over five).

Digest Exhibit 10  
**OVERDUE PUNS SUMMARY**  
FY21-FY23

		ISC <sup>1</sup>							
		CCRPC	CISA	CAU	CSO	Prairieland	Service	SICCS	Suburban Access
FY21	Q1	4.6%	27.2%	1.4%	1.6%	5.7%	13.3%	6.7%	2.7%
	Q2	6.1%	23.2%	3.3%	1.2%	6.2%	12.9%	5.7%	3.6%
	Q3	3.8%	15.9%	1.0%	0.2%	5.5%	6.9%	5.1%	2.4%
	Q4	4.9%	1.0%	1.3%	1.6%	3.5%	4.9%	5.3%	0.4%
FY22	Q1	5.0%	1.4%	0.7%	2.1%	1.4%	3.8%	5.8%	0.4%
	Q2	2.8%	0.8%	0.7%	2.2%	1.5%	0.8%	2.0%	0.3%
	Q3	4.9%	1.4%	0.5%	3.1%	1.5%	1.1%	4.4%	1.1%
	Q4	4.9%	0.0%	2.0%	3.0%	1.2%	2.2%	6.8%	1.5%
FY23	Q1	4.3%	1.3%	1.4%	2.4%	1.8%	1.9%	6.8%	0.1%
	Q2	4.3%	1.1%	0.8%	1.6%	1.2%	2.1%	2.3%	1.4%
	Q3	5.2%	0.1%	0.8%	3.0%	3.1%	4.3%	2.4%	0.4%
	Q4	7.2%	0.7%	0.8%	3.7%	3.0%	5.2%	6.6%	0.5%

Note: <sup>1</sup> Regions were combined for ISC agencies serving more than one region.

Source: DHS Statewide overdue PUNS summaries.

When an ISC agency does not ensure there is an annual update for each individual in the PUNS database, there is a risk that the individual is overlooked for needed or desired services. Further, when the PUNS database is not updated, it is difficult for DHS to ensure adequate Statewide planning. (pages 54-57)

## Annual Redeterminations

DHS **did not always enforce** the 95 percent timely annual redetermination requirement. Our review of the audit period found two ISC agencies did not meet the performance standard in any of the 11 quarters reviewed. In total, at the end of FY23, 10.8 percent (2,385 of 22,098) of the individuals requiring an annual redetermination were overdue. Digest Exhibit 11 shows the percentage of overdue redeterminations by ISC agency. The orange shading is used to represent any quarter an ISC agency was not compliant with the performance standard (any percentage over five).

Digest Exhibit 11

### OVERDUE REDETERMINATIONS SUMMARY FY21-FY23

		ISC <sup>2</sup>							
		CCRPC	CISA	CAU	CSO	Prairieland	Service	SICCS	Suburban Access
FY21	Q1	4.9%	3.5%	1.3%	4.5%	5.9%	12.9%	4.8%	6.2%
	Q2	4.1%	2.6%	1.2%	6.7%	6.3%	13.0%	8.7%	8.1%
	Q3	2.4%	3.2%	1.1%	5.3%	5.1%	13.6%	9.0%	9.9%
	Q4	4.1%	2.9%	1.8%	10.7%	2.8%	10.8%	4.7%	11.3%
FY22	Q1	4.7%	5.0%	2.5%	7.2%	5.5%	6.5%	5.6%	5.0%
	Q2	3.6%	3.6%	1.5%	8.8%	8.6%	5.8%	5.3%	5.5%
	Q3	5.0%	3.8%	1.3%	10.3%	5.4%	5.9%	7.6%	8.5%
	Q4	4.6%	3.2%	2.2%	11.0%	5.4%	5.8%	8.2%	9.5%
FY23	Q1 <sup>1</sup>								
	Q2	11.7%	5.2%	1.6%	18.4%	6.8%	8.4%	9.0%	13.7%
	Q3	6.2%	4.4%	1.9%	20.4%	7.3%	8.9%	10.6%	15.4%
	Q4	7.5%	8.8%	2.4%	40.3%	6.9%	8.2%	9.4%	17.9%

Note: <sup>1</sup> FY23 Quarter 1 reports were not available.

Note: <sup>2</sup> Regions were combined for ISC agencies serving more than one region.

Source: DHS Statewide overdue redeterminations summaries.

Failure to conduct a redetermination within the required 365 days puts the individual at risk for an interruption in eligibility for Medicaid benefits. (pages 57-60)

## Individual Service and Support Advocacy (ISSA)

DHS **failed** to ensure ISC agencies were completing all required ISSA monitoring visits and failed to ensure ISC agencies were conducting all required annual discovery and personal plan processes. During testing, we found missing or not timely discovery tool or personal plan updates in at least one fiscal year for 33 of 75 individuals sampled, and on average, only 86 percent of the required visits were conducted.



DHS **cannot** ensure that the needs and desires of each individual are met and the services provided to each individual are appropriate when the discovery and personal planning processes are not conducted at least annually. Additionally, failure to ensure all required visits are conducted by the ISC agencies could jeopardize the health, safety, and welfare of each of the individuals served. When visits are not conducted face-to-face, there is a risk of missing an issue that would normally have been identified. (pages 60-64)

### **Bogard**

During the audit period, DHS **did not always** have an accurate listing of active Bogard individuals and **did not always** ensure ISC agencies were providing all required services to those individuals. For individuals with the Bogard-class designation who were not receiving Waiver services, ISC agencies were required to coordinate the Individual Service Plan development, as well as complete service coordination visits for individuals residing in all other non-Waiver settings. During testing, we found two out of 15 individuals sampled had passed away based on documentation in the case files, yet those individuals remained on DHS' Bogard listing for months after their deaths. We also found ISC agencies **did not participate** in 13 of 39 required Individual Service Plan updates and **did not conduct** 99 of 440, or 22.5 percent, of the required monthly visits for the 15 individuals in the sample.

Failure to ensure all required visits are conducted by the ISC agencies jeopardizes the health, safety, and welfare of each individual served as part of the Bogard-class designation. Additionally, failure by DHS to ensure participation in the service plans by the ISC agencies could result in individuals with the Bogard-class designation not receiving the appropriate or desired services. (pages 64-66)

### **Americans with Disabilities Act (ADA)/Olmstead and Housing Navigator**

DHS **did not monitor** the ADA/Olmstead Outreach and Housing Navigator pilot programs. These programs were new for FY23 and provided a total of \$725,000 in funding. DHS **failed** to request grant funds back from one ISC agency, Champaign County Regional Planning Commission, that received more than \$49,000 in funding for both programs, yet **admittedly** did not conduct any of the required activities for either program.

DHS **did not** readily have ADA/Olmstead Outreach program data available; rather, it had to compile the information when requested. Despite having compiled the information, DHS **did not include** outreach data on three ISC agencies covering five regions, **did not know** the total number of residents entitled to receive outreach, **could not explain** a number of reported entries, and **did not follow-up** with the ISC agencies to ensure the outreach occurred. We reviewed Housing Navigator program information and found three out of eight ISC agencies **did not secure housing** for a single individual. Additionally, the ISC agencies **did not always** provide complete information on the deliverables to

DHS and **did not always** conduct the training, presentations, and meetings as required.

Without an analysis on the ADA/Olmstead Outreach and the Housing Navigator programs, DHS cannot determine if these pilot programs are successful and should be continued in future years. (pages 66-69)

### **SODC Transitions**

DHS **did not require** the ISC agencies to comply with SODC transition activities as required by the ISC agency agreements. DHS **does not have clear and consistent guidance** on requirements for SODC transitions. During testing, we found DHS **lacked evidence** of ISC agency attendance at required pre-transition meetings and **lacked evidence** to support all post-transition visits were conducted as required. This included 2 of 11 individuals in our sample who **did not receive any post-transition visits**. The ISC agencies and DHS' Bureau of Transition Services (BTS) failed to coordinate post-transition visits. This included 6 of 11 individuals receiving at least one post-transition follow-up visit **on the same day**.

DHS relied upon ISC agency quarterly reports to determine compliance with SODC Transition Support deliverables found in the grant agreements. Again, these reports could not be used to determine compliance and are **not reviewed** at any level of detail whereby DHS could determine compliance. Further, DHS **could not provide** the visiting notes for the individuals in our sample even though their own internal policy requires the oversight and receipt of such notes from the ISC agencies.

When DHS reduces the required post-transition follow-up visits, but then does not ensure complete participation, there is an increased likelihood a transition could fail. Failure to coordinate ISC agency activities creates situations where certain activities are not conducted while others are duplicated. When DHS does not determine ISC agency compliance with the required grant activities, it has no idea how the program funds are being spent and if the required activities are being conducted. (pages 69-74)

## Audit Recommendations

The audit report contains 12 recommendations directed to the Department of Human Services. The Department agreed with the recommendations. The complete response from the Department is included in this report as Appendix D.

This performance audit was conducted by the staff of the Office of the Auditor General.

**SIGNED ORIGINAL ON FILE**

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JOE BUTCHER  
Division Director

This report is transmitted in accordance with Sections 3-14 and 3-15 of the Illinois State Auditing Act.

**SIGNED ORIGINAL ON FILE**

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FRANK J. MAUTINO  
Auditor General

FJM:JMP

