



INDIANA  
DEPARTMENT OF  
CHILD  
SERVICES

# CONTRACT COMPLIANCE

*Linda Pierce*

*Serena Crites*

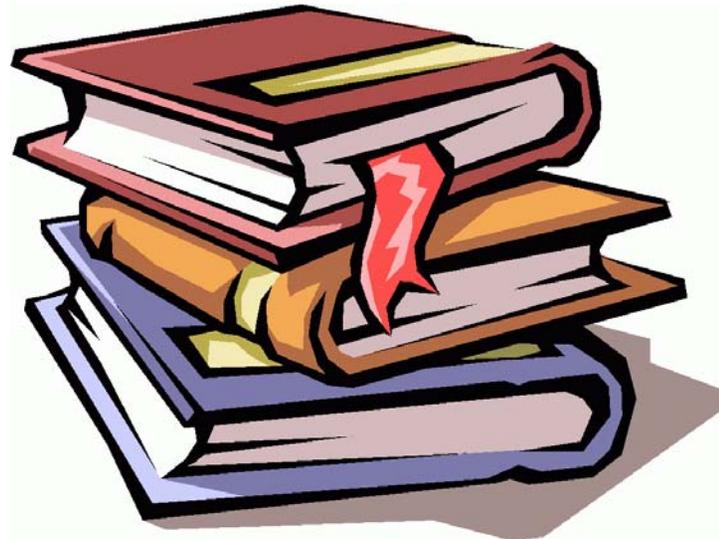
# DCS Contract Compliance

- **Clauses:**
  - Background Checks
  - Insurance policies
  - Non-discrimination policies
  - Proper staff training and qualifications (including any licenses)
  - Valid sub-contracts
  - Drug-Free, Smoke-Free
  - Required reporting
  - Secure case file documentation practices



# DCS Service Standards

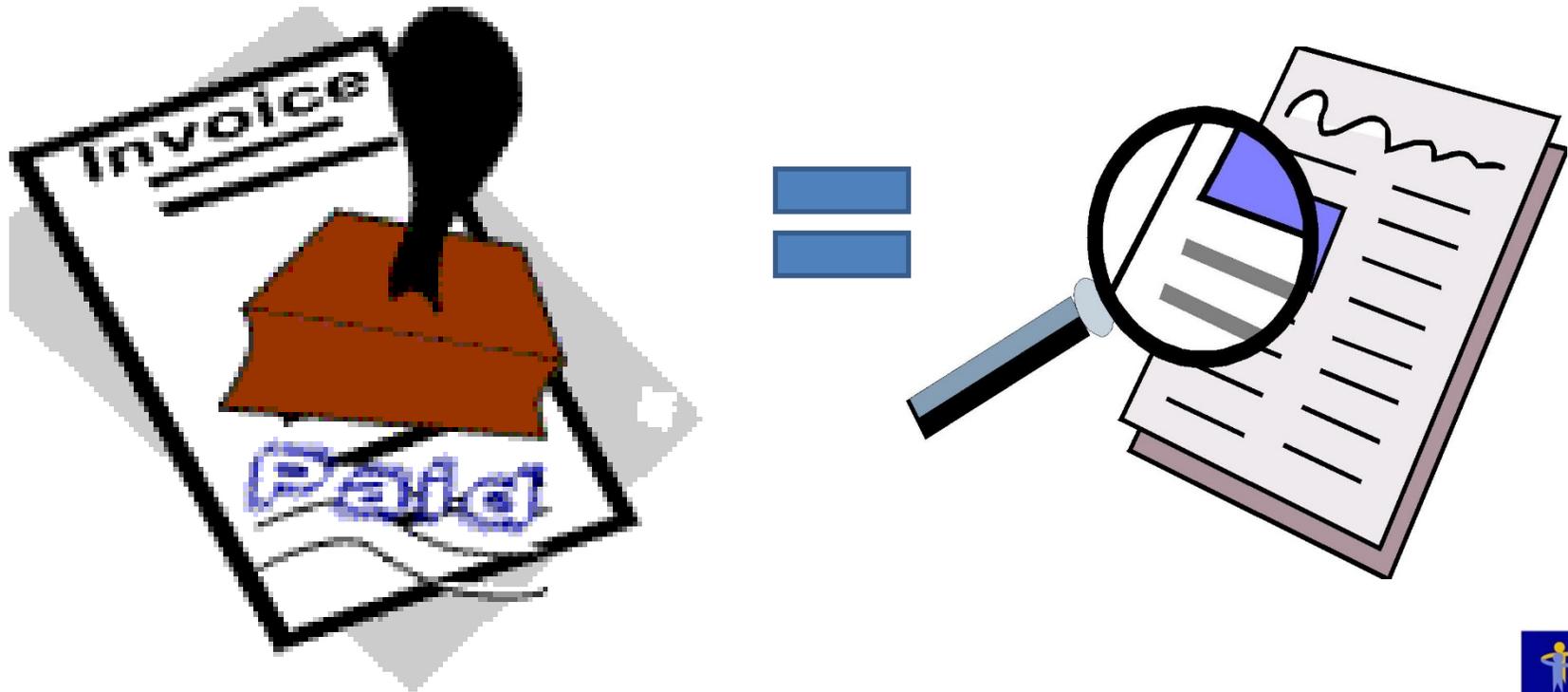
- Proper curriculum
- Reporting requirements
- Minimum qualifications for Direct Worker
- Minimum qualifications for Supervisor
- Proper setting (clinical, community, home-based, etc.)
- Case file documentation



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# DCS Invoice Validation

- Do they match? Case, Service, Date, Duration?



# DCS Contract Types

## Community Based Services

– services provided primarily  
in the family's home or community



Casework  
Therapy  
Diagnostic & Evaluation tests  
Drug Screens  
Supervised Visitation  
Parent Education  
Substance Use Treatment  
Homemaker  
Tutoring



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# DCS Contract Types

## Residential Facilities

- services/placement provided for children removed from homes



Emergency Shelters

Group Homes

Child Caring Institutions

Private Secure Facilities



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# DCS Contract Types

## Licensed Child Placing Agency

- business that trains and provides support for foster families



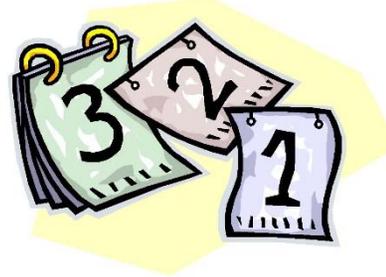
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# DCS Contract Compliance

## Contract Compliance Audit Results

- 4 years, 400+ audits



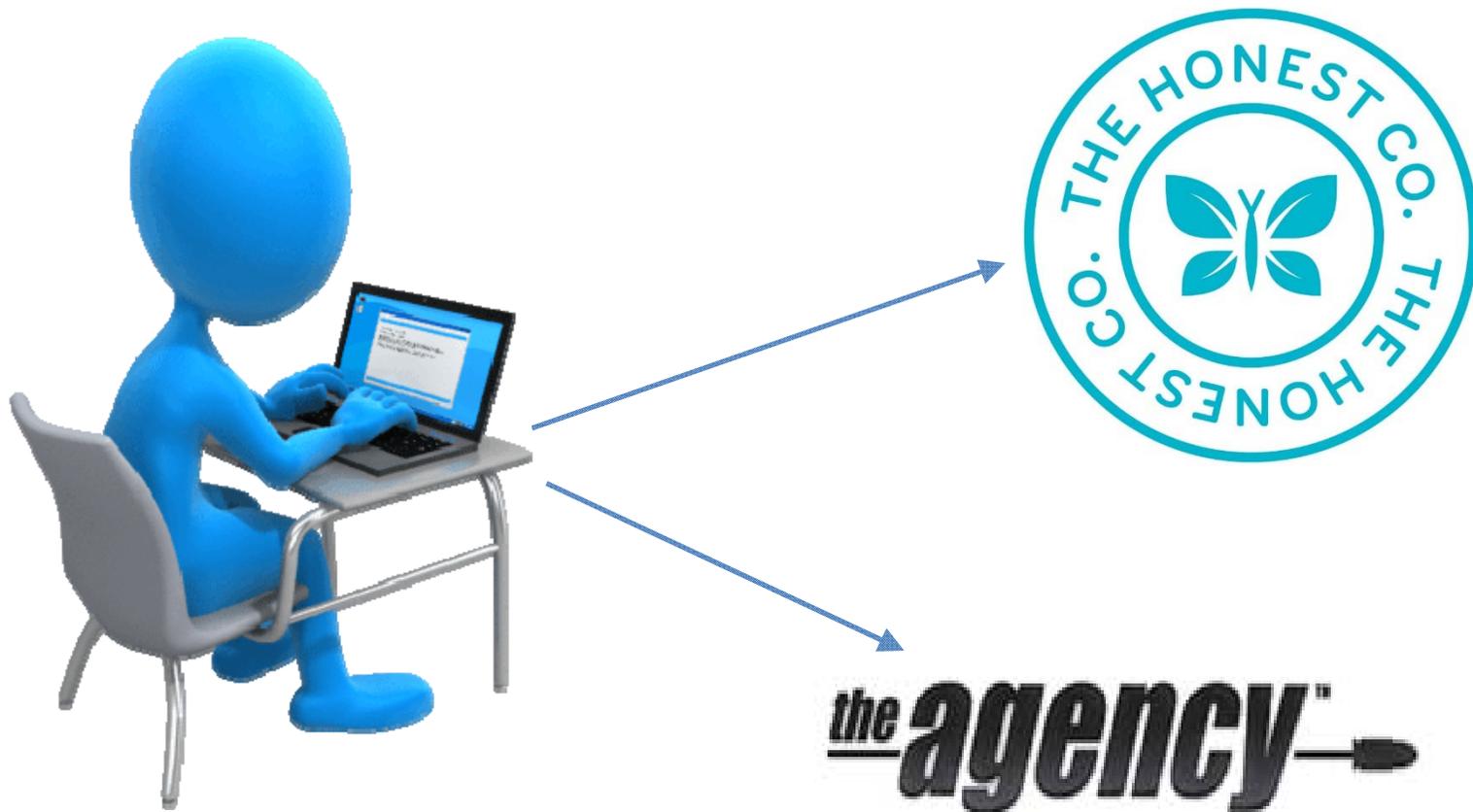
- Compliance issues resolved



- \$1.3M recovered



# 2013 Special Review



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# 2013 Special Review



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# 2013 Special Review



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# DCS Contract Compliance

Therapist: Jane Doe  
Company: "Business"

## FAMILY A

THERAPY – 2 HRS MONDAY MORNING

THERAPY – 2 HRS WEDNESDAY MORNING

## FAMILY B

THERAPY – 2 HRS MONDAY AFTERNOON

THERAPY – 2 HRS WEDNESDAY AFTERNOON

## FAMILY C

THERAPY – 2 HRS TUESDAY MORNING

THERAPY – 2 HRS THURSDAY MORNING

## FAMILY D

THERAPY – 2 HRS TUESDAY AFTERNOON

THERAPY – 2 HRS THURSDAY AFTERNOON

TOTAL = 16 HRS (plus drive time)



**BUSINESS**



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# DCS Contract Compliance

Visit Facilitator: JANE DOE  
Company: "The Agency"

## FAMILY E

VISIT – 2 HRS MONDAY MORNING

VISIT – 2 HRS WEDNESDAY MORNING

## FAMILY F

VISIT – 2 HRS MONDAY AFTERNOON

VISIT – 2 HRS WEDNESDAY AFTERNOON

## FAMILY G

VISIT – 2 HRS TUESDAY MORNING

VISIT – 2 HRS THURSDAY MORNING

## FAMILY H

VISIT – 2 HRS TUESDAY AFTERNOON

VISIT – 2 HRS THURSDAY AFTERNOON

TOTAL = 16 HRS (plus drive time)



***the*agency**



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# DCS Contract Compliance

Residential Therapist: JANE DOE

Company: "The Honest Co."

FAMILY 1 - VISIT – 1 HR MONDAY MORNING  
FAMILY 2 - VISIT – 1 HR MONDAY MORNING  
FAMILY 3 - VISIT – 1 HR MONDAY AFTERNOON  
FAMILY 4 - VISIT – 1 HR MONDAY AFTERNOON  
FAMILY 5 - VISIT – 1 HR TUESDAY MORNING  
FAMILY 6 - VISIT – 1 HR TUESDAY MORNING  
FAMILY 7 - VISIT – 1 HR TUESDAY AFTERNOON  
FAMILY 8 - VISIT – 1 HR TUESDAY AFTERNOON  
FAMILY 9 - VISIT – 1 HR WEDNESDAY MORNING  
FAMILY 10 - VISIT – 1 HR WEDNESDAY MORNING  
FAMILY 11 - VISIT – 1 HR THURSDAY AFTERNOON  
FAMILY 12 - VISIT – 1 HR THURSDAY AFTERNOON  
GROUP A - 1 HR MONDAY AFTERNOON  
GROUP B - 1 HR TUESDAY AFTERNOON  
GROUP C – 1 HR THURSDAY AFTERNOON  
GROUP D – 1 HR THURSDAY AFTERNOON

TOTAL = 16 HRS



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# DCS Contract Compliance

- 16 hours



- 16 hours



- 16 hours



- **TOTAL = 48 HRS**



# DCS Contract Compliance

- Services provided and billed correctly?
- Impact to families?
- Case overload?
- How would the providers be aware of an employee were doing this?
- Financial impact to DCS and taxpayers?



# PHASE 2

- Two regions selected
- Personnel information requested of all providers within that region for three contract types
  - Community Based Services
  - Residential Facilities
  - Licensed Child Placing Agency



# PHASE 2

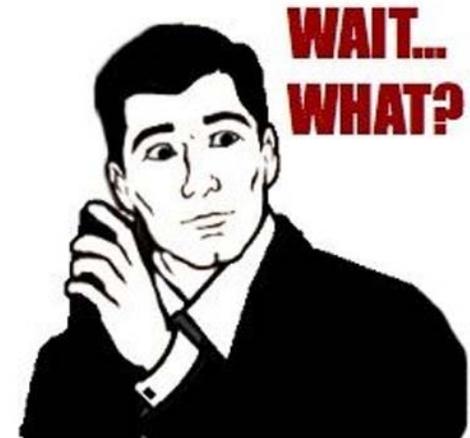
## RESULTS:

- 200+ shared employees working for over 40 agencies
- Reviewed reports from 67 workers
- Over 75% had submitted fraudulent reports



# DCS Contract Compliance

- *Is this really a bigger problem?*
  - Probably...



- *So now what?*
  - Data reported to the decision makers of DCS and the decision was made to conduct a statewide investigation including more contract types



# DCS Contract Review

## DCS Decision Makers:

- Purchasing and Pricing
- Services and Outcomes
- Placement Support and Compliance
- Legal Department
- Health Services
- Program Policy
- Internal Affairs
- Executive Office



# DCS Contract Types

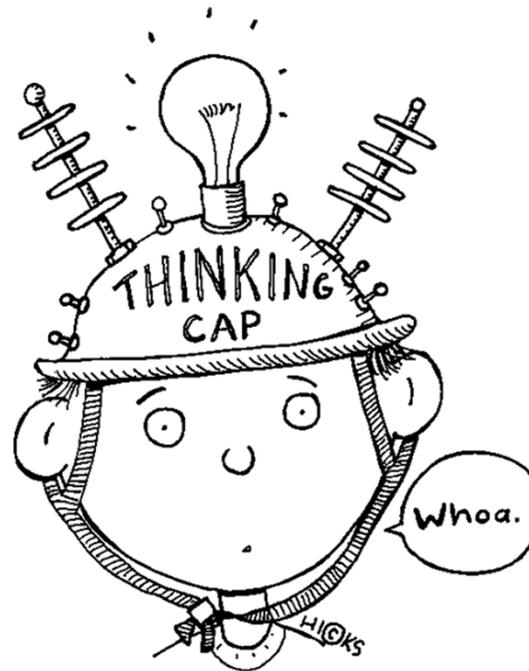
- Community Based Services
- Residential Facilities
- LCPA
- Older Youth Services
- Healthy Families
- Home Builders
- Youth Service Bureaus
- Community Mental Health Centers
- Child Advocacy Centers
- Adoption Services



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# DCS Contract Types

What is the impact statewide?

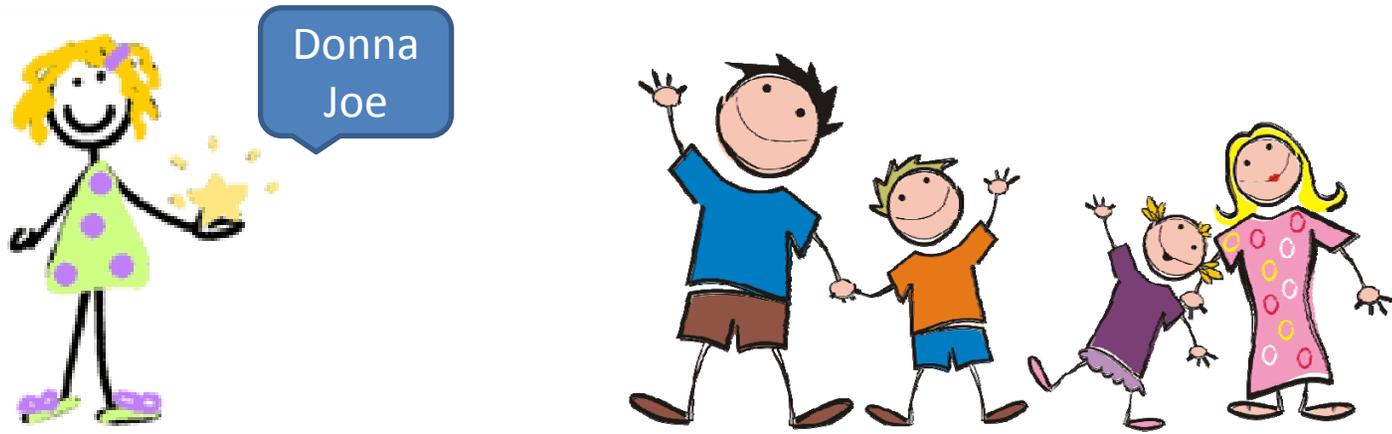


We need to widen the scope!



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# Example



- DCS Service Referral to Provider A
  - Visitation Facilitation



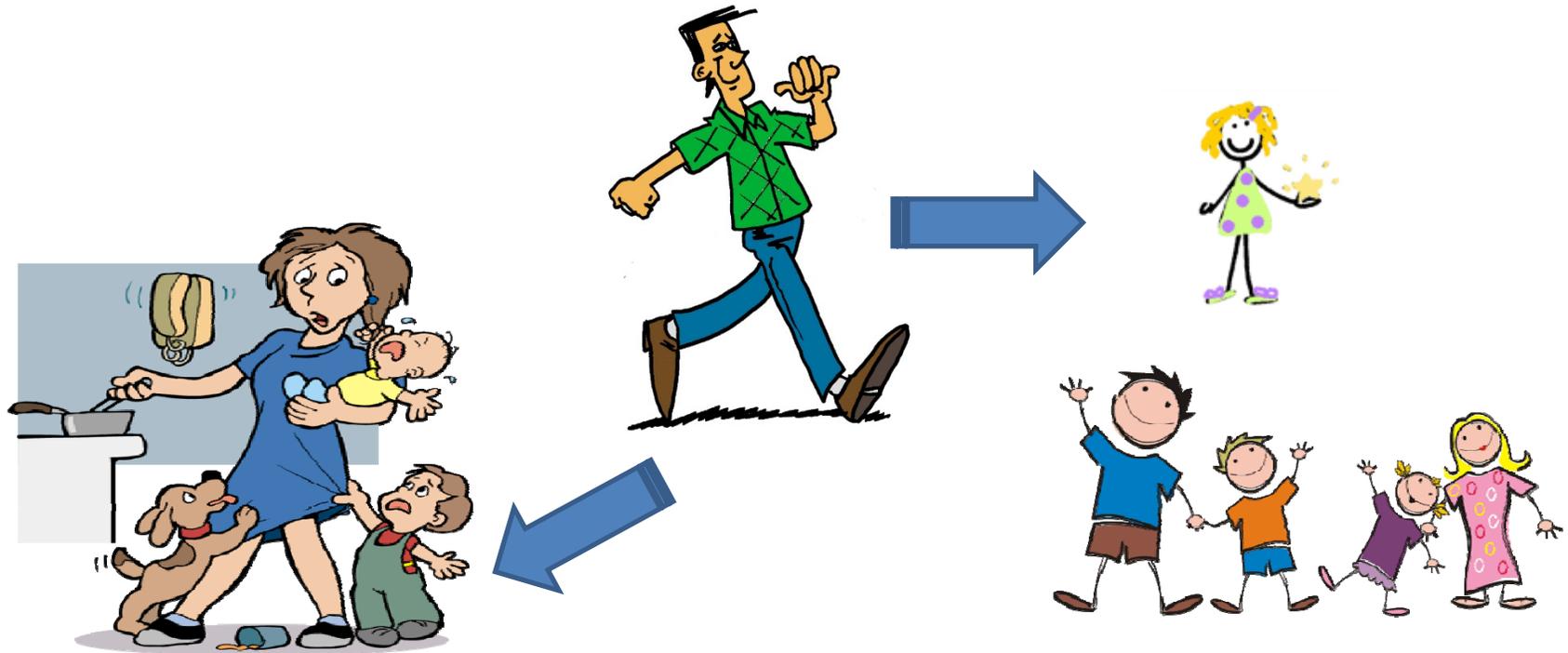
# Example



- DCS Service Referral to Provider B  
– Home Based Casework



# Example



- John Smith reports being with both families on the same day.

# Example



- Both agencies bill DCS for John Smith's services on the same day.



# Memorandum of Understanding



# DCS Contract Review

- Results from DOR data:
  - Approximately 50,000 employees reported via W-2
  - 26% of the 358 providers had employees shared with another provider.
  - 1099 (subcontracted employees) were between 40%-50% more likely to have this issue.



# DCS Contract Review

- IS THIS A BIGGER PROBLEM?

Highly Probable!



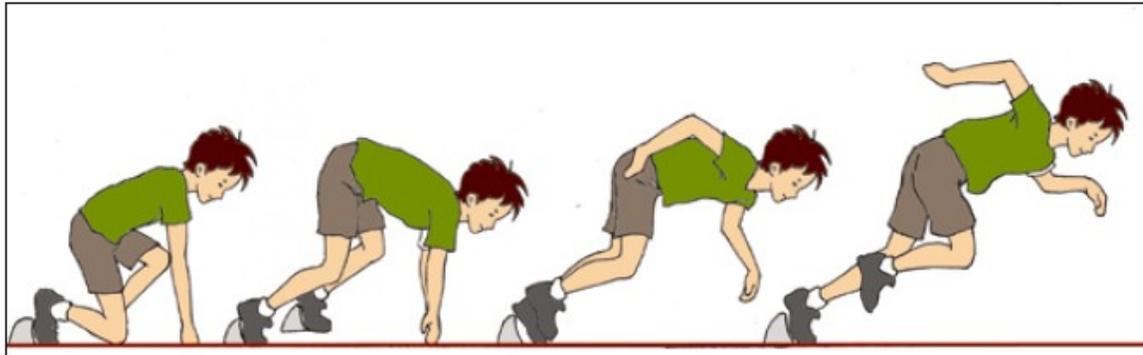
# DCS Contract Review

## September 2016

Over 350 providers were notified that they would be party to a contract compliance review

## October 2016

Initial letters requesting personnel information sent



# DCS Contract Review

WHY? Why?  
WHY? Why?  
WHY? Why?  
WHY?



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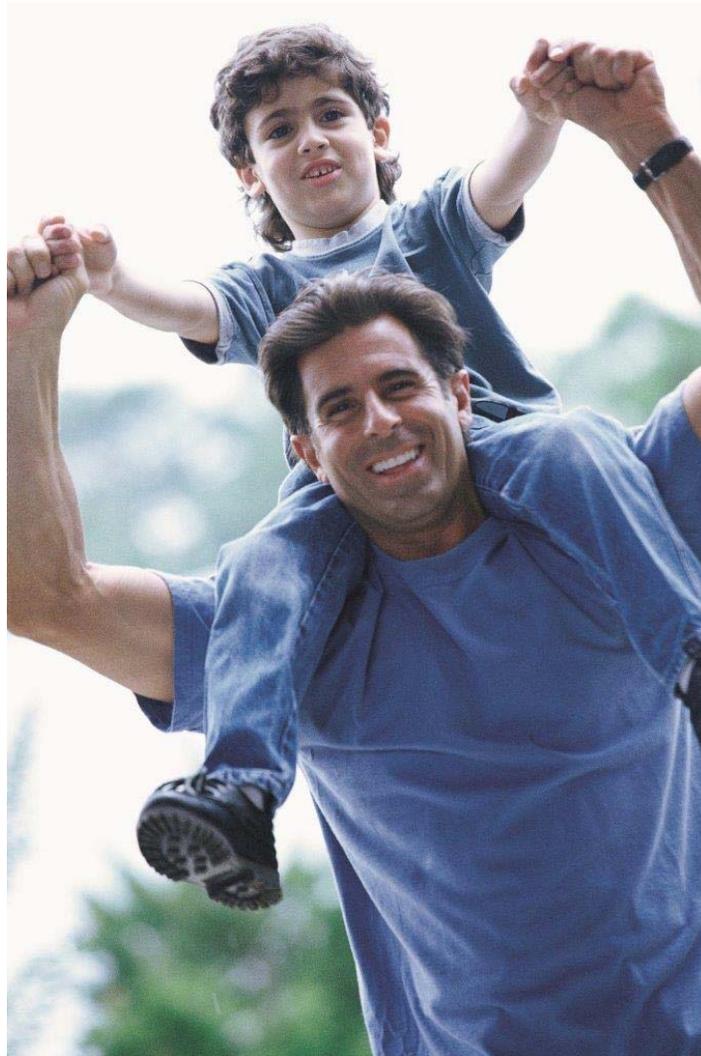
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# DCS Contract Review



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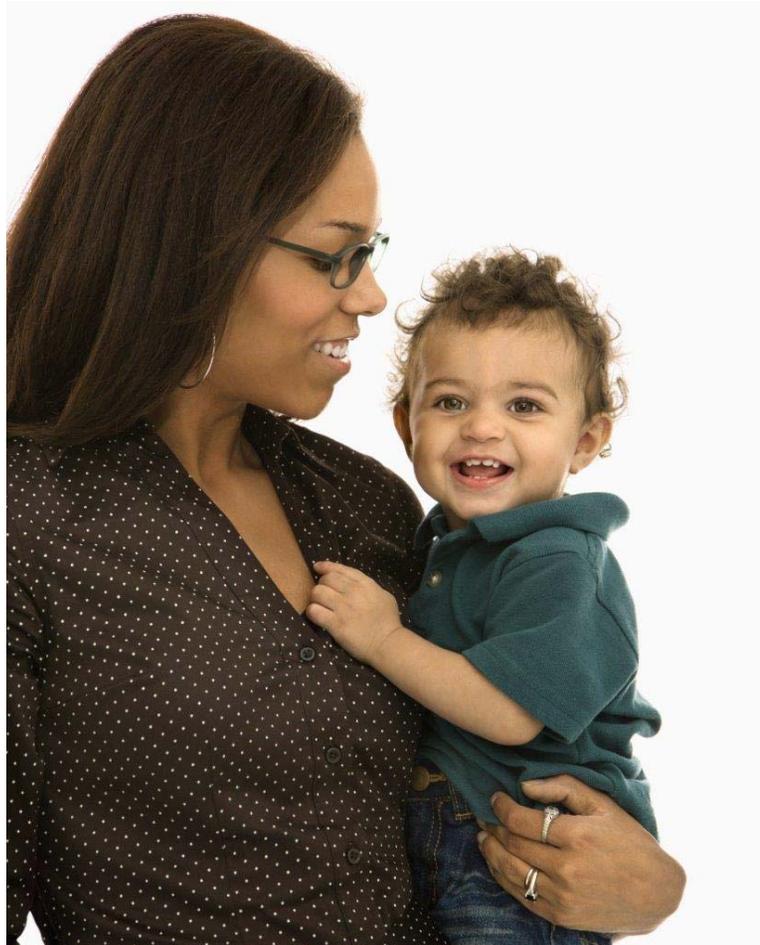
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# DCS Contract Review

If you have any questions about our processes or this project, please contact us:

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