Agency Name	Health and Human Services
Audit Name	Bureau of Developmental Services, Performance Audit
Audit Period	FY14-FY15
Status Report Date	October 11, 2022

Summary of Audit Observations/Findings					
Number	Observation Title	Status [place X in status column]			
		Unresolved	Partially Resolved	Substantially Resolved	Fully Resolved
1	Accurately Report Waitlist Expenditures				x
2	Maximize Funding for DD Waitlist Clients				x
3	Improve Management of the Waitlist and the PSNL				x
4	Improve Compliance With Redesignation Statute and Rule				x
5	Improve Timelines of Medicaid Waiver Services Authorization Approval Processes			x	
6	Reduce Administrator's Span of Control				x
7	Improve Statutory Framework				X
8	Improve Regulatory Framework				X
9	Improve ABD and DD Rules				X
10	Improve Compliance with *Administrative Procedures Act*				X
11	Improve Internal Policies and Procedures				X
12	Improve IT Management Controls				x

EXAMPLE Observation 1: No Formal Risk Assessment over XYZ program

Summary of Finding: *Agency has not performed a formal risk assessment. An effective assessment is the foundation for developing and implementing effective internal controls to eliminate, mitigate or otherwise manage identified risks.*

Current Status: *Substantially Resolved. Agency in connections with DAS, utilized the Internal Control Toolkit and performed a formal risk assessment. The next step is to implement new processes and controls to minimize the identified risks. Completion Date estimated: August 2019*

Observation 1: Accurately Report Waitlist Expenditures

Summary of Finding: We recommend DHHS management accurately report its expenditures to the appropriate budget lines consistent with state law.

Current Status: This item is complete; however BDS will continue to maintain focus in this area.

Observation 2: Maximize Funding for DD Waitlist Clients

Summary of Finding: We recommend the DHHS strengthen management controls over the carry forward of waitlist funds and develop a process to use unspent waitlist funds to start clients' ongoing services, and remove them from the waitlist, prior to developing the subsequent biennium's budget. This may necessitate statutory or budget process changes.

The Legislature may wish to consider changing waitlist budgeting practice to allow for including additional, projected unknown clients based on historical DHHS data, in addition to budgeting for known waitlist clients, as has been practice in past budgets.

Current Status: This item has now been completed; however BDS will continue to focus on this area.

Observation 3: Improve Management of the Waitlist and the PSNL

Summary of Finding: We recommend DHHS management:

- Incorporate all Registry-related guidelines, instruction, terms, and procedures affecting anyone external to the DHHS into either a single rule (for standardized or recurring requirements) or contract (for negotiated requirements) regulating the operation of the waitlist and budgeting, the PSNL, and the Registry regardless of the waiver under which they may be or are being served;
- Ensure eligible persons meeting waitlist or PSNL criteria are consistently added to the applicable

list; and

- Ensure funds are used for their appropriate purpose.

Current Status: With respect to rulemaking to include waitlist language in He-M 522, this language has now been incorporated. With respect to the remainder of the recommendation, any action is dependent on future Legislative actions.

Observation 4: Improve Compliance with Redesignation Statute and Rule

Summary of Finding: We recommend BDS management:
- Fully implement the revised redesignation process,
- Establish in contract or seek changes to rule to incorporate forms and other required information submissions, and
- Ensure the new process complies with statute and rule.

Current Status: This item is now complete.

Observation 5: Improve Timelines of Medicaid Waiver Services Authorization Approval Processes

Summary of Finding: We recommend DHHS management:

- Correct PA system faults and inefficiencies of underlying IT systems to streamline the mechanics of PA processing;
- Consolidate and simplify administrative processes for approving individual service budgets and PAs;
- Formalize the simplified policy and procedure in rules and procedure manuals; and
- Collect performance data to assess timeliness of PA processing to identify sources of delays, underpin staffing requirements, and measure performance over time.

Current Status: The Department contracted with Alvarez and Marsal (A&M) in 2020. A&M reviewed the previous LBA Audit recommendations and the recommendations from PCG and made additional recommendations to improve the IT system within BDS. BDS has contracted with Deloitte to assess existing systems and to build functions into New Heights to modernize the BDS IT systems so that the PA processing can be streamlined and automated. Intake and Eligibility, functional screen and Registry is currently being tested and is targeted to go live in January, 2023. Budget Management, Prior Authorizations and Renewals are targeted for testing in March, 2023, going live in June, 2023. The last phase of this implementation will incorporate electronic service agreements and testing is targeted to begin June, 2023 with go live on September, 2023. Deloitte and the Bureau of Developmental Services have engaged New Hampshire stakeholders, provider agencies and area agencies in discussions on current state and future state relative

to streamlining the mechanics of PA processing. As these systems are built out, policy and regulation will be revised to reflect the new system functions and utilization. Once implemented, BDS will continue collecting performance date to assess timeliness of PA processing and manage performance.

Observation 6: Reduce Administrator's Span of Control

Summary of Finding: We recommend DHHS management seek to reduce the BDS Administrator's span of control.

Current Status: This review is complete. As future positions become available, BDS will   continue to look to modify its organizational structure, if needed. BDS has been moved under a new Division titled the "Division of Long Term Supports and Services" which houses 4 Long Term Care Bureaus. Within BDS, the development of 6 Administrative positions has contributed to the reduction of the BDS Administrator's span of control.

Observation 7: Improve Statutory Framework

Summary of Finding: The Legislature may wish to consider consolidating *Services for the Developmentally Disabled* and *Brain and Spinal Injuries* into a single, comprehensive statute that   standardizes rights, service guarantees, and other features of both statutes.

The Legislature may also wish to consider amending statute to establish an overall time limit between receipt of a complete application for services and delivery of services, and obligating the DHHS to develop time limits for interim steps within the process via its existing rule making authority.

Current Status: A Subcommittee of the Health and Human Services Oversight Committee was formed to review remedial legislative actions in response to this audit. The   Subcommittee met between September 2016 and October 27, 2016. The final report of the   Subcommittee recommended further discussion of combining statutes is necessary and that it be   addressed through a reconstituted subcommittee in the next legislative session. As stated in the status   report in Observation3, BDS determined at this time it is not feasible to combine He-M 503 and He-M 522.

Estimated Completion Date: As this recommendation is to the Legislature and not BDS, BDS does not have an Estimated Completion Date for this recommendation.

Observation 8: Improve Regulatory Framework

Summary of Finding: We recommend DHHS management revise rules to:

- Ensure rules require funds be expended for their appropriated purpose;
- Standardize the terms used throughout the developmental service system;
- Incorporate all rule-like requirements established in guidelines or other media into duly promulgated rules; and
- Provided statutorily-compliant provisions for temporary service arrangements for ABD clients.

We recommend BDS management:

- Develop a system to collect, validate, and analyze timeliness data to ensure statutory and regulatory compliance; and
- Discontinue ad hoc rulemaking and formalize procedures to issue mandates either by rule (for standardized or recurring requirements) or contract (for negotiated requirements).

Current Status: Observation 7 recommends that the Legislature consider combining the statutes for individuals with Developmental Disabilities and Acquired Brain Disorders. Any action the Legislature takes will be instructive to BDS as to whether it is appropriate to also have one set of rules. BDS has completed rulemaking for He-M 522 to include the same waitlist language that was added to He-M 503. The status report of Observations 2, 3, and 7 are also incorporated herein by reference. BDS' review as to whether terms in rules need further standardization is ongoing. BDS issued policies in July for use by both BDS and the Area Agencies and continues to develop policies and formal guidelines as appropriate. As noted above, completion of parts of this recommendation are dependent on future Legislative actions. With respect to rulemaking to include waitlist language in He-M 522, the Department has completed rulemaking to include this language.

Observation 9: Improve ABD and DD Rules

Summary of Finding: We recommend DHHS management revise the rules to:

- Consolidate ABD and DD rules and standardize requirements;
- Establish standard overall time limits for service delivery, not just making funds available;
- Incorporate all statutory time limits;
- Standardize the use of days, instead of business days;
- Eliminate the option to waive statutory time limits;
- Standardize the language used to start and end timed steps within processes;
- Ensure rule language conforms to statute and is internally consistent and clear;
- Simplify or eliminate processes;
- Establish time limits for all steps necessary to receive services; and
- Define all relevant terms.

Current Status: As this recommendation is very similar and in part identical to the recommendations in Observations 3 and 8, the status reports for Observations 3 and 8 are incorporated herein by reference. As noted above, completion of parts of this recommendation are dependent on future Legislative actions. With respect to reviewing He-M 503 to determine whether further changes are necessary, this review has been completed and the Department will make changes as needed. The policies that BDS has developed have assisted with the completion of this recommendation.

Observation 10: Improve Compliance with *Administrative Procedures Act*

Summary of Finding: We recommend DHHS management

- Ensure all BDS-developed forms and formats for external use, such as applications, individual service agreements, individual budgets, and advanced authorization requests are standardized and either fully described in rule text or properly incorporated by reference;
- Develop timelines for budget development and approval;

- Include a requirement AAs provide individual budgets to clients;
- Ensure all external references, including those to federal forms and definitions, are properly incorporated;
- Make all rules, including forms, readily available to the public;
- Standardize definitions, such as individual service agreement, within the *Developmental Services*
  chapter and ensure they conform to statute; and
- Formalize fiscal controls and guidelines via rulemaking.

We recommend BDS management ensure all requirements equating to rule are incorporated into DHHS rules.

Current Status: This item has been completed.

Observation 11: Improve Internal Policies and Procedures

Summary of Finding: We recommend BDS management develop written policies and procedures, and formalize processes for developing and distributing them and measuring their effectiveness.

Current Status: This item has been completed.

Observation 12: Improve IT Management Controls

Summary of Finding: We recommend BDS management improve IT controls and evaluate risks associated with the IT systems used to oversee and operate the BDS service delivery system.

Current Status: A capital budget request for the improvement of BDS IT systems was approved by the Legislature in June 2017. The status report for Observation 5 is incorporated herein by reference. The Department has hired Public Consulting Group (PCG) for developing requirements, recommendations and a conceptual design.   A targeted implementation date of July 1, 2021 has been set for the new IT system.