

PROGRAM 18 – SENIOR RESIDENTIAL SERVICES PROGRAM

SENIOR GRANT PROGRAM

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

I. PROGRAM OBJECTIVES

The Senior Grant Program, as part of the Division of Senior and Disabilities Services (DSDS), utilizes state, federal and Mental Health Trust funds to provide services that will assist seniors to remain independent as they age in their homes and communities throughout the state. The Senior Grant Program includes three components which include home and community based services; nutrition, transportation and support services; and senior residential services.

Funding for the senior residential programs is distributed through a non-competitive grant process and is jointly administered by the Division of Senior and Disabilities Services and the Grants and Contracts Unit of the Division of Finance and Management Services. In FY12, these grants funded four assisted living facilities for elders in Dillingham, Galena, Kotzebue and Tanana. With the closure of the Kotzebue Assisted Living Home, funds were granted to Dillingham and Galena. Also, a provider agreement was established with Alzheimer's Disease Resource Agency of Alaska to ensure residents in Dillingham have access to a care coordinator in order to maintain their Medicaid waiver. DSDS monitors and licenses all residences as assisted living facilities. By definition, assisted living facilities provide meals and assistance with daily activities to enable seniors to remain in or near their community of choice.

Senior Residential Services (SRS) are a separate component that uses DSDS funds to provide residential living for seniors 60 and over who are unable to live alone but who can maintain themselves in a supervised setting with minimal assistance. DSDS funded four facilities, one in Dillingham, Galena, Kotzebue and Tanana.

Accounts Structure - DSDS administration is in the Division's Protection, Community Services, and Administration budget component. DSDS oversees programs in three Division budget components, of which SRS is one. The Senior Residential Services (SRS) budget component includes grant funds supporting senior residential services.

Program Organization - SRS grant awards for senior residential services allow grantees to charge fees for services.

II. PROGRAM PROCEDURES

See Section III, below.

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III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

1. **Compliance Requirement:** Senior Residential Services are a separate component that uses DSDS funds to provide residential living for seniors 60 and over who are unable to live alone but who can maintain themselves in a supervised setting with minimal assistance. DSDS funds four facilities, one in Dillingham, Galena, Kotzebue and Tanana.

Funds for grants must be spent only to support the above service. Each grantee's service plan is identified in the specific grant agreement.

The following DSDS grants management policy applicable to SRS grants has been in effect since FY93: Grants are awarded based on approved "bottom-line" budgets. Grantees no longer have line item accountability to DSDS within their SRS budgets.

Suggested Audit Procedures:

- a) Review specific Request for Proposals under which the grant is funded.
- b) Review the grant application, special conditions of award on the final notice of grant award,
- c) Determine whether accounting records provide for identification, classification, and recording of expenditures and revenues for senior residential services.
- d) Verify that expenditures were in accordance with grant terms and conditions and were for allowable costs.
- e) A copy of the most recent Request for Proposal(s).

B. ELIGIBILITY -

1. **Compliance Requirement:** Senior Residential Services (SRS) provides residential care to physically frail or disabled seniors 60 years of age and over (see RFP for other eligibility criteria).

Suggested Audit Procedures: Test participant eligibility.

C. REPORTING REQUIREMENTS -

1. **Compliance Requirement -** Quarterly program reports are due in the DSDS Juneau office by the 30th of the month following the end of the quarter. Provisions for late reports are discussed in the instructions for the report. Reports must show all of the required information for each service provided or client group served under the grant.

Suggested Audit Procedures:

- a) Review the SRS quarterly program report instructions for the grant year being audited.

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- b) Evaluate the timeliness of report submission
- c) Evaluate the completeness of the reports based on approved grant service activities.
- d) Evaluate the accuracy of the reports by tracing and linking data on the reports to supporting documentation.

2. **Compliance Requirement** - Cumulative fiscal reports are due in the DSDS Juneau office within thirty (30) days of the month following each quarter. If the fourth quarter's report is not marked "Final," a final cumulative fiscal report is due in the DSDS Juneau office by July 30. Provisions for late reports are discussed in the instructions for the report. Reports are to accurately reflect the financial transactions of the grant as specified in the instructions for the report.

Suggested Audit Procedures:

- a) Review the cumulative fiscal report instructions for the grant year being audited.
- b) Evaluate the timeliness of report submission;
- c) Evaluate the completeness of the reports based on approved grant service activities.
- d) Evaluate the accuracy of the reports by tracing and linking data on the reports to supporting documentation.

D. SPECIAL TESTS AND PROVISIONS -

1. **Compliance Requirement:**

Program Income: SRS programs may solicit program income from clients; however, fees for services may usurp program income from clients. Programs must account for program income from clients and spend those funds to enhance or expand the SRS program. Program income must be expended during the quarter in which it is received. Requests to carry over program income into the next fiscal year must be approved by DSDS. Program income must be expended before DSDS grant funds, unless DSDS has specifically approved other arrangements.

Suggested Audit Procedures: Review the grant application and grant award for possible modifications to determine the source of program income, and whether it was to be solicited from clients.

2. **Compliance Requirement:**

Rent: SRS programs must charge clients rent based on a percentage of the resident's income, or as established by the facility. Tanana Elders Residence, Marrulut Enitt Assisted Living and Yukon Koyukuk Elders Assisted Living Facility all charge rent based on a percentage of each client's monthly income. Kotzebue Senior Citizens Cultural Center

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charges a fixed rent. It does not need to meet federal definitions because it is not a federally funded program.

Program Income Not from Clients: SRS programs potentially will receive and report interest on bank accounts, rent from the grant portion of the building space, or other sources of program income not from clients.

Suggested Audit Procedures: Evaluate the solicitation, collection, handling, accounting for, and use of rent and program income.

3. Compliance Requirement:

Other Sources: Medicaid waiver receipts used to support the grant should be classified as “Other Sources.”

Suggested Audit Procedures: Review documentation of receipt and expenditure of Medicaid waiver revenue to determine whether it is classified as “Other Sources” when dedicated to SRS grant services.

4. Compliance Requirement:

Handling Client Personal Cash: Residential facilities personnel generally handle the personal cash of residents who are unable to do so for themselves. A method to account for client personal cash, paying interest to clients based on their bank deposits, tracking client expenses, etc., should be established and followed by each facility.

Suggested Audit Procedures: Review procedures for handling residents' personal cash. Verify that methods used by facilities to handle client personal cash are in place and accurately track clients' funds, personal expenses, and interest earned.

5. Compliance Requirement:

Criminal Background Checks of In-Home Employees: Each employee of an agency providing publicly funded home care services (homemaker, chore, personal care, home health, and similar services), including volunteer staff and senior employment program participants who provide these services, must have a criminal background check done by the Department of Public Safety, pursuant to AS 12.62.035. Senior Residential Services grantee facilities are classified as “assisted living facilities,” which provide home care. As such, their employees are required to have criminal background checks. Each grantee must adhere to this statute and pursuant regulations.

Suggested Audit Procedures: Review records to verify that each employee performing home care services has had a criminal background check and has no record of criminal behavior relating to children or senior citizens.