




OFFICE OF THE INSPECTOR GENERAL

PRELIMINARY INQUIRY MEMORANDUM

October 6, 2016

TO: Timothy L. Firestine
Chief Administrative Officer

FROM: Edward L. Blansitt III 
Inspector General

SUBJECT: Lawrence Court Halfway House Meal Provision to Residents
OIG PIM #17-001

This Preliminary Inquiry Memorandum (PIM) describes specific issues or complaints and the outcomes of limited procedures undertaken during a Preliminary Inquiry conducted by the Office of the Inspector General (OIG). Copies of this PIM along with your response, if any, will be provided to the members of the County Council and the County Executive within 10 business days of the date of this PIM.

Background and Complaint Summary:

In response to multiple complaints regarding the administration of Montgomery County Department of Health and Human Services (DHHS) contracts awarded to Maryland Treatment Centers (MTC), the Office of the Inspector General is currently conducting an audit of MTC contracts active during FY2015 and FY2016 in order to (1) ensure that MTC is billing the County in accordance with contract provisions, and (2) determine whether MTC contracts are effectively monitored in accordance with County rules and regulations. In FY2016, MTC received contract awards valued at over \$5 million to operate 8 substance abuse treatment programs within the County.

During the course of the broader audit of MTC, OIG learned that Lawrence Court Halfway House (LCHH), a 24-hour residential treatment facility, may not be providing clients the number of meals stipulated within its contract with the County. This memo details our preliminary inquiry and DHHS' reported efforts to address the matter.

We expect to release a report of a comprehensive review of MTC contract compliance and monitoring later this fiscal year.

Inquiry and Outcome:

OIG Preliminary Inquiry

The FY2016 total approved budget for the LCHH facility was \$474,958 and included \$106,000 allocated for food and dietary costs. MTC's contract with the County requires that LCHH provide residents "at a minimum, two prepared meals per day Monday through Friday, a self-serve breakfast, and weekend meals that may be reheated by residents and/or staff." Thus, it is expected that LCHH clients be provided at least 3 meals per day. During FY2016, documentation submitted to the County in support of the LCHH monthly invoices routinely indicates that LCHH is providing/billing the County for 3.5 meals per day.

However, during the course of our audit of MTC, the OIG received information indicating that LCHH only provides residents 2 meals per day, omitting lunch. It was alleged that residents were expected to provide their own lunches. Based on the ratio of lunch to that total daily rates listed under the US General Services Administration standard rates for Meals and Incidental Expenses, we estimate that of the \$106,000 budgeted for food and dietary costs, up to \$25,000 could have been the cost of providing lunch to LCHH clients in FY2016.

In May 2016, OIG staff discussed the allegations with the DHHS contract monitor assigned to the LCHH contract, who stated that based on the invoices submitted and the site visits conducted, there was no reason to believe that residents were required to provide their own lunches.

As a part of our broader MTC audit, OIG staff attended the spring 2016 quarterly site visits to MTC facilities that DHHS routinely conducts. During a June 2016 visit to LCHH, in response to a question from an OIG staff member, the Clinical Director of the facility stated that LCHH residents receive a self-serve breakfast and a hot, prepared dinner brought over from the Avery Road Treatment Center facility. He confirmed that residents were expected to provide their own lunches.

Following the June 2016 site visit, OIG staff discussed with the DHHS contract monitor the apparent discrepancy between the LCHH contract requirements and the food actually provided and requested that the matter be addressed. On September 28, 2016, DHHS provided a response to our request regarding the LCHH meals issue.

DHHS Response

In its response, DHHS reported that on August 16, 2016, DHHS contract monitoring and compliance staff conducted an unannounced site visit during the lunch hour and asked the LCHH House Manager whether lunch was provided. The House Manager stated that LCHH only provides one hot meal and one self-serve breakfast per day. Following that visit, the DHHS contract monitor sent an email to the MTC Executive Director and asked how many meals were provided per day at LCHH. The Executive Director responded that 3.5 meals were provided. Again, at a site visit on September 8, 2016, it was observed by

the DHHS contract monitor that no lunch was provided to the residents. As a result, DHHS staff found that LCHH was in “Partial Compliance to the number of meals required to be serviced per the [County] contract” and prepared a Corrective Action Plan. (See attached *LCHH Corrective Action Plan*.)

Corrective Action Plan

On September 19, 2016, DHHS staff met with the MTC Executive Director and MTC Chief Financial Officer to present the Corrective Action Plan. DHHS staff reported that all parties agreed that LCHH would begin providing brown bag lunches to the residents. All parties agreed to reconvene at the end of November 2016 to assess the effect of the remediation.

DHHS reported to the OIG that it decided not to seek recoupment of the excess meal costs previously billed by LCHH because MTC would rebill under other DHHS contracts for the excess billings to the LCHH contract. We understand that MTC takes the pool of meal costs for four County-funded, residential treatment programs and allocates the costs to each County contract based on the number of clients and days at the respective program. Three of these programs are operated under cost reimbursement contracts with the County. The fourth is a fixed price contract. Therefore, according to DHHS, MTC would have been reimbursed for a higher meal cost under other facilities’ contracts if LCHH had reported and been reimbursed for its actual meal costs. Going forward, DHHS reports that LCHH will only be reimbursed for the actual number of meals provided.

Summary and Conclusion:

We found that the number of meals provided to residents at LCHH did not comply with the terms of the MTC contract with Montgomery County. DHHS agreed with our findings and took appropriate steps to bring the contractor into compliance with its contract.

DHHS should continue to follow up with MTC to ensure compliance at LCHH and consider evaluating meal provision to clients at other MTC-serviced facilities. We have been advised that DHHS recently conducted an unannounced site visit at Avery House, another MTC-operated residential facility. During that visit, DHHS staff observed that meals were being provided as stipulated in that particular contract.

cc: Uma Ahluwalia, Director, Department Health and Human Services

A Preliminary Inquiry Memorandum (PIM) is appropriate in situations where we have, in reaction to a complaint, gathered and assessed sufficient information for us to draw limited conclusions related to the specific complaint. Since PIMs do not result from full inspections, investigations, or audits, it would not be appropriate for us to provide full findings and recommendations in PIMs. Instead, we may identify specific conditions, transactions, and events that management may want to continue to research from an investigative or policy standpoint.

LCHH Corrective Action Plan

PROVIDER: Maryland Treatment Center, Lawrence Court Staffway House

DATE: 9/16/16
Contract Monitor: [REDACTED]

Corrective Action Plan (CAP) for Lawrence Court Halfway House Contract#1024872

DEFICIENCY	CORRECTIVE ACTION How will you correct the deficiency?	QUALITY ASSURANCE MEASURE How are you going to prevent the deficient practice from reoccurring?	RESPONSIBLE STAFF For ensuring the deficient practice does not reoccur	TARGET DATE of corrective action	CONTRACTOR'S RESPONSE
Partial Compliance to the number of meals required to be serviced per the contract. In the contract's Scope of Services (page 9 of 15) article #2-Program "Staffing" sub-article A-#4 "Culinary Staff and # of meals" 4 - a sufficient number of culinary staff that meals COMAR 10.47.01.06 for Dietary Services to provide, at a minimum two prepared meals, Monday through Friday a self-served breakfast, and weekend meals that may be reheated by staff and/or clients. During a routine site visit on June 7, 2016 with the Montgomery County Office of Inspector General (OIG) and BHCS contract monitor, the	Provide two prepared meals as well as self-serve breakfast, based on weekly census/count; Monday through Sunday, all seven days of the week, throughout the whole Contract term.	MTC inform all pertinent MTC Administrative and LCHH Staff of the contract requirement.	MTC, Executive Director, Contract Management, MTC CFO, Lawrence Court Clinical Director/Supervisor, and Lawrence Court House Manager	Effective Immediately date of contractor's signature.	

PROVIDER: *Maryland Treatment Center, Lawrence Court Staffway House*

DATE: 9/16/16
 Contract Monitor: [REDACTED]

Corrective Action Plan (CAP) for Lawrence Court Halfway House Contract#1024872

DEFICIENCY	CORRECTIVE ACTION How will you correct the deficiency?	QUALITY ASSURANCE MEASURE How are you going to prevent the deficient practice from reoccurring?	RESPONSIBLE STAFF For ensuring the deficient practice does not reoccur	TARGET DATE of corrective action	CONTRACTOR'S RESPONSE
<p>Issue of the number of meals served by the MTC LCHH surfaced. The OIG auditor, [REDACTED] asked the Clinical Director, [REDACTED], how many meals are served at the LCHH which he indicated one hot meal and a self-breakfast. This was again confirmed on August 16, 2016 unannounced site visit during the lunch hour with the same question posed to the LCHH House Manager, [REDACTED] by the contract monitor and Compliance Team. The same response was received – LCHH only serves one hot meal and one self-served breakfast. An email was sent by the contract monitor to the MTC Executive Director [REDACTED] inquiring how many meals are served at LCHH. The Executive Director responded that 3.5 meals are served per day. See attached memo. Again, at a state</p>					

PROVIDER: *Maryland Treatment Center, Lawrence Court Halfway House*

DATE: 9/16/16
 Contract Monitor: [REDACTED]

Corrective Action Plan (CAP) for Lawrence Court Halfway House Contract#1024872

DEFICIENCY	CORRECTIVE ACTION How will you correct the deficiency?	QUALITY ASSURANCE MEASURE How are you going to prevent the deficient practice from reoccurring?	RESPONSIBLE STAFF For ensuring the deficient practice does not reoccur	TARGET DATE of corrective action	CONTRACTOR'S RESPONSE
<p>monitoring visit on September 8, 2016, it was observed by the contract monitor that no lunch was served to the residents.</p> <p>Per HHS COO - In FY 16, MTC LCHH billed the County 3.5 meals per client residing in the facility. County will not ask for repayment because the total costs of the meals are allocated among all the County MTC contracts. However, in FY 17, DHHS will only pay for 2 meals a day until the corrective action is implemented.</p>					

Notes: Contract#1022872 Scope of Services (page 9 of 15) article #2-"Program Staffing", sub-article A-#4 "Culinary Staff and # of meals" is being met and complied with; and if not the issue has to be fixed as soon as possible.

PROVIDER: Maryland Treatment Center, Lawrence Court Hallway House

DATE: 9/16/16
Contract Monitor: [REDACTED]

Corrective Action Plan (CAP) for Lawrence Court Hallway House Contract#1024872

X [REDACTED]
Executive Director, MTC Contract Management

X [REDACTED]
Manager, BHCS Contract Management Unit

[REDACTED]

CAO Response to this Memorandum

On November 4, 2016, the Chief Administrative Officer (CAO) responded:



OFFICES OF THE COUNTY EXECUTIVE

Isiah Leggett
County Executive

Timothy L. Firestine
Chief Administrative Officer

MEMORANDUM

November 4, 2016

TO: Edward L. Blansitt, III, Inspector General

FROM: Timothy L. Firestine, Chief Administrative Officer *Timothy L. Firestine*

SUBJECT: Response to the Preliminary Inquiry Memorandum # 17-001, Lawrence Court Halfway House Meal Provision to Residents

This memorandum is in response to the Preliminary Inquiry Memorandum # 17-001, Lawrence Court Halfway House Meal Provision to Residents.

We have reviewed your memorandum and are in agreement with both the findings and summary of the Corrective Action Plan (CAP). As stated, the Department of Health and Human Services will review the impact of the CAP in November 2016 and will monitor other Maryland Treatment Center (MTC) operated programs, at regular and random intervals, to ensure compliance with the terms of the contract.

Thank you for your diligence and attention to detail in your efforts. We look forward to your comprehensive review of MTC later this year.

TLF:al

cc: Fariba Kassiri, Assistant Chief Administrative Officer
Uma S. Ahluwalia, Director, Department of Health and Human Services

101 Monroe Street • Rockville, Maryland 20850
240-777-2500 • 240-777-2544 TTY • 240-777-2518 FAX
www.montgomerycountymd.gov

montgomerycountymd.gov/311



240-773-3556 TTY