



# USOR Responses to Performance Audit of DRS by the State Auditor

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A PRESENTATION FOR THE SOCIAL SERVICES APPROPRIATIONS  
SUBCOMMITTEE

JANUARY 31, 2014

# Finding 1:

## Questionable Vehicle Modifications

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1. We recommend that the Division of Rehabilitation Services district directors review each vehicle modification request to ensure that a less costly benefit does not exist prior to authorization.
2. We recommend that the Division of Rehabilitation Services conduct regular reviews of high-cost authorizations, such as vehicle modifications. These reviews should be done by someone outside of the approval process.
3. We recommend that the Division of Rehabilitation Services create guidelines for assisting clients to prepare to purchase new assets at the end of the asset's functional life rather than relying on the vocational rehabilitation program to purchase new assets.
4. We recommend that the Division of Rehabilitation Services document efforts to alleviate the concerns with a public transportation agency prior to approving a vehicle modification when public transportation is a reasonable transportation option.
5. We recommend that the Division of Rehabilitation Services research and document other potential solutions to assist clients receive transportation from their homes or places of employment to a public transportation stop or other pick-up location prior to authorizing vehicle modifications.
6. We recommend that the Division of Rehabilitation Services verify income and assets, when necessary, prior to authorizing services.
7. We recommend that the Division of Rehabilitation Services enforce policy that requires return of an asset if the client changes his/her employment objective and the counselor determines that the asset is not necessary for the revised objective.

# Finding 1:

## Agency Actions to Date

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- 1) Reviewed all vehicle purchases and determined they were appropriate and allowable.
- 2) Updated the Transportation policy (Client Services Manual Chapter 29, effective date October 1, 2013).
- 3) Instituted the “DRIVE Note” service conceptualization model to ensure appropriate documentation.
- 4) Conducted statewide mandatory training on the new Transportation policy and Drive note on August 11, 2013.
- 5) Trained supervisory staff approving requests for vehicle purchases on September 19, 2013.

# Finding 2:

## Noncompliance with Direct Authorization Policy

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1. We recommend that the Division of Rehabilitation Services regularly review direct authorizations to ensure that counselors document every effort to only use authorized vendors.
2. We recommend that the Division of Rehabilitation ensure that counselors document efforts to create an authorized vendor or justify why the selected vendor cannot become an authorized vendor in cases in which using an authorized vendor is not possible.
3. We recommend that the Division of Rehabilitation Services ensure that counselors properly document that the need for maintenance assistance is above and beyond the client's normal living expenses.
4. We recommend that the Division of Rehabilitation Services ensure that counselors properly document the reason for direct authorizations.
5. We recommend that the Division of Rehabilitation Services require repayment of any difference between the amount directly authorized and the amount actually spent by the client or change its policy to only reimburse authorizations after purchase.
6. We recommend that the Division of Rehabilitation Services ensure that counselors only authorize goods or services for vocational rehabilitation clients.
7. We recommend that the Division of Rehabilitation Services distribute semi-annual direct authorization reports to district directors to be used to detect counselors that may be providing a high percent of direct authorizations to clients.

# Finding 2:

## Agency Actions to Date

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- 1) Updated the Direct Authorization policy (Client Services Manual Chapter 12, effective date October 1, 2013 and Client Service Memorandum 2013-02).
  - a. The updated policy includes language and direction to address each recommendation made, including District Director review and approval.
- 2) Conducted statewide training on the updated policy on January 9, 2014.

## Finding 3:

# The DRS Could Reduce Costs and Improve Controls by Contracting Medical Functions

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1. We recommend that the Division of Rehabilitation Services contract with the state Division of Health Care Financing (Medicaid) to process all medical claims and to provide necessary consultation.
2. We recommend that the Division of Rehabilitation Services require counselors to consult with an independent medical professional prior to authorizing medical procedures outside of the division fee schedule.
3. We recommend that the Division of Rehabilitation Services adopt and use the traditional Medicaid fee schedule for all medical authorizations, as allowed by federal regulations.

# Finding 3:

## Agency Actions to Date

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- 1) Implemented Medicaid rates (Client Service Memorandum 2013-01) effective October 1, 2013.
- 2) Met with DOH Division of Health Care Financing on January 17, 2014 and determined that processing medical claims through DOH was not fiscally or programmatically feasible and would increase costs.
- 3) Updated the policy related to consulting with independent medical professionals and appropriately documenting the rate used when above Medicaid standard.
- 4) Conducted initial statewide training on the updated policy in October 2013, and scheduled interagency training with DOH early 2014.

## Finding 4: Identity Verification Could Support Client Employment and Reduce Potential Fraud

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1. We recommend that the Division of Rehabilitation require identification documents prior to the implementation of the client's individual plan for employment to ensure that the client is properly identified, is able to meet employment requirements in the United States, and is prepared to produce necessary identification when a job becomes available.



# Finding 4:

## Agency Actions to Date

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1) Updated the Referrals and Application policy (Client Services Manual Chapter 3, effective date October 1, 2013).

a. The updated policy requires documentation of identity and eligibility to work in the United States prior to the time an Individualized Plan for Employment is established.

2) Conducted statewide training on the updated policy on January 9, 2014

And finally . . .

USOR participated in the hiring of an Internal Auditor under the Utah Board of Education, dedicated to audit activities for/related to the Utah State Office of Rehabilitation (December 2013).

