NC DEPARTMENT OF
HEALTH AND
HUMAN SERVICES

North Carolina Department of Health and Human Services
Division of Aging and Adult Services

Plan for Monitoring
Subrecipients

Table of Contents

Table of Contents

Table of Contents

I.	Overview

A. Purpose/Background

The purpose of this monitoring plan is to provide the basis for programmatic and fiscal compliance monitoring in response to State and Federal requirements. In addition, this plan is established to meet requirements with the NC Department of Health and Human Services (DHHS) Policy on subrecipient monitoring.

The DAAS is designated as the state unit on aging to administer services for older adults and family caregivers through federal appropriations from the U.S. Administration on Aging under the Older Americans Act of 1965 and through state appropriations. The Division grants and contracts approximately 94% of these funds to regional Area Agencies on Aging (AAAs) who, in turn, subcontract with local provider agencies to deliver services for older adults throughout the state.

All 16 Area Agencies on Aging in North Carolina are housed in Lead Regional Organizations or Regional Councils of Governments (COGs) and are considered local government entities. -

The Division - also monitors and administers a portion of the federal Social Service Block Grant and other specific State appropriations that support services to adults who do not fall under the Older Americans Act. All 100 county departments of social services (public entities) are subrecipients of part of this funding, and in some cases, Local departments of social services are monitored by DAAS staff to ensure programmatic compliance for these services. Fiscal monitoring and risk assessment review guides are provided to state staff through a coordinated effort with the Division of Social Services in an effort to prevent duplication by the Division of Social Services and DAAS.

B. Personnel

DAAS has designated a "Lead Monitor" position to coordinate all monitoring activities. This position is part of the Planning, ESG and Services Support Section and is responsible for ensuring the Division's monitoring plan is maintained and implemented. In addition, this position is responsible for subrecipient audit reviews and audit finding resolution, financial management monitoring, Compliance Audit Supplement development, and provides training, technical assistance, and consultation to Division staff, the 16 Area Agencies on Aging and their subrecipients in the area of monitoring. The Lead Monitor is the liaison between the Division and DHHS Office of the Internal Auditor and other State agencies. The Lead Monitor acts as a "clearinghouse" for monitoring reports and corrective actions. Contact information is:

Lead Monitor
Division of Aging and Adult Services
693 Palmer Drive
Raleigh, NC
(919)855-3400

The Lead Monitor will coordinate efforts with the DHHS Monitoring Coordinator and provide training for the Division of Aging and Adult Services and Area Agency on Aging staff as needed or requested.

C. Federal and State Requirements

The following federal and state requirements provide direction to the Division in the areas of programmatic and fiscal compliance monitoring.

1. Federal Requirements:
   a. The Older Americans Act, as amended, 42 USC 3001 et seq.,
   b. Office of Management and Budget (OMB) Uniform Guidance 2 CFR part 200
   c. Single Audit Implementation Act, , 31 USC 7501 et seq.

2. State Requirements:
   a. North Carolina General Statutes 143C-6-22-23.
   b. -10A NCAC 05, 06, and 71, in part, plus ancillary manuals

D. DAAS Monitoring Web Site

The Division of Aging and Adult Services maintains a monitoring website contained within the Division's home web page. This page includes all policies and procedures, monitoring instruments, audit supplements and other current information regarding monitoring for use by the DAAS staff, subrecipients and other interested agencies. This website can be found at:
http://www.ncdhhs.gov/divisions/daas/monitoring.

E. Education/Technical Assistance

The Division provides annual fiscal and programmatic training to subrecipients and technical assistance through the fiscal year. Special training is provided upon request.

F. Non-Compliance Procedures

If non-compliance findings are identified and not corrected by the subrecipient within the time of the monitoring visit, a Corrective Action Plan is required. Unless otherwise specified in the monitoring report, a written Corrective Action Plan is due within 30 business days after receiving the monitoring report identifying the finding.

G. Close-out of Award Procedures

Funding is allocated by the Division to the Area Agency through the Notification of Grant Award (NGA). Funding available through ARMS can be verified through the Area Agency Financial report in ARMS. These reports are available through the Area Agency or the DAAS. Funding is available to the local service provider for the duration of the state fiscal year (July 1 through June 30). Carry-forward of unobligated funding is not allowed unless authorized by DAAS. The DAAS Budget

Office work in collaboration with the DHHS Controller's office to ensure collection of unobligated funds, review, and closeout of all awards.

| II. | HCCBG and Non-HCCBG Based Services |

A. Purpose

In 1992, the General Assembly created the "Home and Community Care Block Grant" (HCCBG) which combined state and certain federal funding into one block grant. These fund sources include: Older Americans Act Title III-B, III-C, SSBG allocations to the State In-Home Fund, and state appropriations to create the HCCBG. Other federal and state fund sources also support services for older adults but are not included in the Block Grant. All HCCBG and non-HCCBG funding (listed below) is allocated through the 16 Area Agencies on Aging. For those services funded under the HCCBG, grant award decisions are made annually through a - local planning committee process that makes recommendations to the county commissioners. All other funds are granted by the AAA through a request for proposal or competitive bid process to support services for older adults in the region.

B. HCCBG Funded Programs

Program Name	Assistance Listing Number
Supportive Services	93.044 Special Programs for the Aging – Title III-B Grants for Supportive Services and Senior Centers
Nutrition Services	93.045 Special Programs for the Aging – Title III-C Nutrition Services
Nutrition Services Incentives Program	93.053 Nutrition Services Incentives Program
State In-Home Fund	93.667-3 Social Services Block Grant State In-Home Services Fund

C. Other Funded Programs

Program Name	Assistance Listing Number
Emergency Solution Grant	14.231 Emergency Solutions Grant program
Senior Community Service Employment Program	17.235 Senior Community Service Employment Program (Title V)
Legal Services	*included under the Aging Cluster 93.044
Prevention of Elder Abuse Neglect and Exploitation	93.041 Special Programs for the Aging – Title VII – Chapter 3 Prevention of Elder Abuse Neglect and Exploitation

Long Term Care Ombudsman	93.042 Special Programs for the Aging – Title VII – Chapter 2 Long Term Ombudsman Services for Older Adults
Disease Prevention/Health Promotion	93.043 Special Programs for the Aging – Title III-D Disease Prevention and Health Promotion Services
Family Caregiver Support	93.052 Family Caregiver Support – Title III-E
Senior Center General Purpose	SF-135 General Purpose Funding for Senior Centers

D. Subrecipients

The Division of Aging and Adult Services has two primary focuses with regard to its monitoring of AAAs:

1. AAA Administration and Direct Community-Based Service: Each AAA receives planning and administrative funds for operation as a designated regional Area Agency on Aging with specific mandated responsibility under the Older Americans Act. The monitoring by the Division of Aging and Adult Services includes a review and determination of compliance with applicable laws, policies and procedures. In addition, specific programmatic goals and initiatives may be reviewed to provide technical assistance or attain information on best practices. Some Area Agencies on Aging provide direct community-based services for the older adult population.

2. AAA Subrecipients: Community-Based Services: The majority of funding received by the AAAs is awarded to counties that sub-allocate the funds to 400+ subrecipients annually. Monitoring of these subrecipients is a significant responsibility of each AAA, and therefore the Division of Aging and Adult Services reviews this monitoring for compliance. Each AAA is required to submit a four-year Area Plan to the Division that includes an exhibit detailing their planned monitoring activity of their subrecipients. This exhibit is updated annually. Each monitoring visit by the Division includes verification that monitoring is conducted in accordance with Section 308 of the AAA Policies and Procedures Manual found at: http://www.ncdhhs.gov/document/section-308-aaa-policies-and-procedures-manual.

E. Monitoring Staff

The staff that monitor AAA Administration and community-based services includes positions assigned as resource personnel to provide technical assistance and training in specific service delivery or programmatic areas. Throughout the year, each staff member serves as a resource person to AAAs and to local providers for their area of responsibility. Through this interaction, these staff become familiar with the strengths and weaknesses of each subrecipient as well as having knowledge and experience in the specific service area.

F. Risk Assessment of Subrecipients

Programmatic and fiscal monitoring each year begins with each area agency completing the AAA Self-Assessment Guide. The intent of the guide is to set a limited scope for the overall monitoring effort, as well as provide a uniform structure for determining subrecipient (AAA) risk. The concept

of the Self-Assessment Guide is a cornerstone of this section of the monitoring plan, but the actual indicators found in the guide change from year to year. Changing the indicators allows a review of different program goals and operating procedures of these subrecipients over time. It also helps to address revised policies and procedures. Annually, key Division program staff revise the Self-Assessment Guide for their assigned areas of responsibility focusing on different aspects of service delivery and administration of services. The current Self-Assessment Guide can be found on the DAAS web site. Through this process, each self-assessment is reviewed by Division of Aging and Adult Services staff to determine the level of risk for each of the four sections in the Self-Assessment Guide. The four sections in the Self-Assessment Guide are:

1. Elder Rights: Includes the Long-Term Care Ombudsman Program, Elder Abuse Prevention, Senior Community Services Employment Program (SCSEP/Title V) and Legal Assistance (Title III-B).

2. Planning: Includes AAA Planning/Administration program (Discrimination, Grievance, Advocacy and Outreach policies and Data Quality Assessment).

3. Service Operations: Includes all community-based services (direct and subcontracted) funded through the Home and Community Care Block Grant for older adults and Family Caregiver Support.

4. Financial Management: Includes subrecipient fiscal monitoring, audit reviews and financial management of aging programs.

Each January, every section completes the review and assigns a level of risk for each funding source administered by the AAA. Based on the level of risk, Division conduct monitoring visits beginning in February and ending in May. Higher risk subrecipients receive visits lasting two (2) or more days with multiple Division staff participating. Regardless of the level of risk, each AAA is monitored by at least one DAAS staff member annually. The following guidelines are used to determine the most appropriate monitoring approach:

Chart A

Level of Risk	Indicators	Monitoring Procedure
Low Risk Subrecipients	Examples of conditions that would categorize a low risk agency would be no unresolved audit findings or corrective action plans, little or no turnover in staff, and no unfavorable variances or unresolved questions from the AAA Self-Assessment document.	Lowest risk subrecipients may receive on-going monitoring reviews and may receive monitoring for verification and review of subrecipient monitoring reports and selected documentation.
Moderate Risk Subrecipients	Examples of conditions that would categorize a moderate risk agency would be corrective action plans or audit findings that need additional	Following a desk review of the self-assessment document and performance reports**, moderate risk subrecipients may receive

	follow-up or verification, key staff in need of training in specific areas, unfavorable variances on routine reports or unresolved questions from the AAA Self-Assessment document.	monitoring to verify or follow-up on specific points not resolved from the desk review, to verify corrective action and/or to review areas of prior non-compliance.
High Risk Subrecipients	High Risk indicators include unresolved audit findings, unresolved corrective action plans, new/untrained staff in key positions, complaints from clients, specifically identified management weaknesses and/or unfavorable variances on routine reports, or substantial unresolved questions from the AAA Self-Assessment document.	Following a desk review of the self-assessment and performance reports**, those agencies determined to be high risk receive an in-depth programmatic and/or financial monitoring . Depending on the findings at the time of monitoring a follow-up monitoring may be required.
** Performance Reports include past assessment reports, reimbursement requests, the annual audit, and other correspondence and reports submitted to the Division of Aging and Adult Services.		

G. Monitoring Tools

The Division of Aging and Adult Services provides prescriptive monitoring instruments for all community-based services. These programmatic instruments can be found on the DAAS web site at http://www.ncdhhs.gov/divisions/daas/monitoring. These tools must be utilized by Area Agencies on Aging and the Division for monitoring local and regional subrecipients providing community-based programs for older adults.

H. Monitoring Process

Programmatic Monitoring
Annually, there are three primary purposes for conducting monitoring of the Area Agencies on Aging:

1. To complete verification of compliance with the mandated administrative and service delivery responsibilities set forth under the Older Americans Act as well as any state policies and applicable service standards. Often this review includes further investigation of items discussed in the AAA Self-Assessment Guide and/or audit findings.

2. To conduct monitoring reviews and verification of compliance monitoring conducted by the AAA with their local subrecipients who provide services to older adults as well as determine if the AAA has fulfilled the monitoring requirements for each subrecipient. Each AAA is required to submit Area Plan Exhibit 14 which details their plans for monitoring subrecipients and the Exhibit 14A listing of subcontractors, if applicable. Annually, the AAA assigns a level of risk for each subrecipient, which includes risk associated with any subcontractor's performance

evaluation. Based on this risk determination, the AAA carries out its monitoring plan accordingly. The greater the risk, the more frequent monitoring occurs. Programmatic monitoring will be conducted on all aging services provided by community service providers as needed but at least once every three years.

Sec. 308 of the AAA Policies and Procedures Manual states, "Unit verifications for all aging services be performed as needed but at least every other year for all aging services provided by each community service provider". This process will be conducted on-site. The area agency will develop an audit trail from the names/units reported on the Units of Verification Report (ZGA-USV) to the basic source documentation (case files, travel logs, log sheets, time sheets, sign-in sheets, etc.). This audit trail will be followed for each name/unit sampled. In addition to a review of basic source documentation, the Area Agency on Aging will review client records to verify the eligibility of the clients in the sample to receive services.

A Base Sample will be drawn for each aging service provided by a community service provider. The following Base Sample guidelines will be employed:

Total # Clients Served	Base Sample Size
1 – 10 clients	All clients served
11 – 100 clients	No less than 10 of the clients served
101 – 250 clients	10% of the clients served
251 – 500 clients	7% of the clients served
501 – 1000 clients	6% of the clients served
1001 – 2000 clients	4% of the clients served
2001 – or more clients	2.5% of the clients served

3. To determine if any areas of non-compliance cited for the AAA by DAAS in prior monitoring visits have been corrected appropriately and completed in accordance with the approved corrective action plan submitted to the Division.

Long-Term Care Ombudsman Program Monitoring

Staff from the State Long-Term Care Ombudsman Office (The Office) monitor the regional long-term care ombudsman programs at the AAAs. The staff provides technical assistance and training in specific service delivery or programmatic areas. Throughout the year, each staff serve as resource persons to regional long-term care ombudsman programs at the AAAs. -. During DAAS's annual Monitoring period, 4 (four) AAAs are selected for on-site monitoring visit based on risk evaluation. Pandemic or other emergency or disaster situations may present an alternate mode of evaluation such as a desk-review.

Monitoring Process

1. Designated staff from the State Long-Term Care Ombudsman's Office will obtain five cases per regional ombudsman for monitoring during the visit or desk- review in the fiscal year. This monitoring will occur on-site at the AAA identified.

2. Records will be reviewed using the standardized tools and instructions for the monitoring described and included in this plan.

3. At the conclusion of the monitoring, the staff from the State Long-Term Care Ombudsman's Office will conduct an exit conference with the AAA Director and the regional ombudsman.

4. Within 30 days of the completion of the exit conference, the findings are summarized and communicated in a written Monitoring Report to the Director of the Council of Government at the AAA. The report identifies any deficiencies requiring corrective action by the regional long-term care ombudsman program at the identified AAA. Contested findings are reviewed by the Section Chief and a decision letter sent within ten (10) workdays. If there are changes to findings, the Monitoring Report is amended.

5. Staff conducting the monitoring will assist regional ombudsman at the AAA to develop any required corrective action plan. Follow-up on the corrective action plan to determine that all deficiencies have been addressed is the responsibility of the AAA Director and the regional long-term care ombudsman.

Senior Community Service Employment Program (SCSEP)
Monitoring is conducted by the State SCSEP Coordinator or other designated Division staff member with local SCSEP Coordinators.

Fiscal Monitoring

Due to the amount of funding received, each of the 16 AAAs, as part of Lead Regional Organizations (or Councils of Governments), are required to receive a Single Audit annually. The Division (as well as the DHHS Office of Internal Audit) reviews these audits annually and conducts follow-up on any findings cited.

In addition, the Single Audit Act and the changes in the Uniform Guidance 2 CFR Part 200 placed Area Agencies on Aging, as a pass-through agency of federal/state funds, in a fiscal monitoring role. In compliance with these mandates, AAAs must complete an Internal Control Questionnaire for all non-governmental subrecipients that are not required to complete a Single Audit. The AAAs, however, have the option of waiving the requirement that public entities complete the Internal Control Questionnaire since internal control is reviewed in the Single Audit process. The changes in the Single Audit Act require agencies expending $750,000 or more in federal funding to complete

the Single Audit process. Throughout North Carolina, over 100 local agencies are not required to have a Single Audit but must receive fiscal monitoring from one of the 16 AAAs.

I. Monitoring Reports and Corrective Action

Monitoring reports from the Division of Aging and Adult Services to AAA subrecipients and from the *Area Agency on Aging to their subrecipients must be submitted in writing within 30 business days of the site visit with exception of unusual circumstances outside DAAS control.* Each report contains the following information:

- Name and Address of subrecipient monitored,
- Program names and funding sources monitored,
- Name and title of monitoring staff,
- A statement of the review of the self-assessment,
- A summary of the areas reviewed during the site visit and, if applicable, a list of the non-compliance programmatic findings,
- Acknowledgement of compliance or non-compliance as related with the <u>applicable</u> Audit Supplement Criteria by funding source.
- Acknowledgement of compliance or non-compliance with the Conflict-of-Interest policy (non-profit entities only),
- A description of relevant findings and areas of non-compliance with recommended corrective action,
- Any suggestions for improvement and/or technical assistance, and
- The date a written corrective action is to be received by the Division or the AAA (normally within 30 days of the issuance of the assessment report). If no non-compliance is cited, the assessment is closed with no further response necessary by the subrecipient.

As necessary, all subrecipients are generally given 30 business days to submit a corrective action plan in writing for approval by the monitor. Upon approval of a corrective action plan, a close out letter of approval is sent to the subrecipient. Periodically, a follow-up monitoring is necessary to verify that severe non-compliance has been corrected. Severe non-compliance is generally defined as areas where the health, wellness or safety of older adult clients is at risk.

If a Program and/or Fiscal Monitor suspects internal fraud it will be reported to the Division Director. The Division will consult with the DHHS Office of the Internal Auditor, Office of the Secretary and Budget and Analysis. In the event the Department agrees that the Division's suspicions are well founded, the DHHS Office of the Internal Auditor will coordinate an audit/investigation as deemed appropriate with the Office of State Auditor, internal staff, Federal authority, local law enforcement authorities, and/or the SBI.

J. Maintenance of Monitoring Documentation

All documentation related to each AAA is maintained by fiscal year, at the Division of Aging and Adult Services. This documentation consists of the following information:
- The current Area Plan and signed assurances

- The most recent version of the AAA Exhibit 14 Monitoring Plan and Exhibit 14A List of Subcontractors
- AAA Self-Assessment
- Budget/Grant Agreement
- Monitoring Reports
- Corrective Action Plans
- Waivers for Direct Service
- Audits
- Monitoring working papers
- Other correspondence

Each Area Agency on Aging maintains copies of all contracts, monitoring documentation, reports, source documents, internal control questionnaires, and audits for each local subrecipient.

K. Special Circumstances

Exceptions to the monitoring process can occur when there is a state of emergency, such as a pandemic, natural disaster or other emergencies, at the discretion of the Division. These exceptions may involve temporary changes to staffing, travel restrictions, budgetary restraints or other provisional deviations from normal monitoring requirements. The state of emergency dictates what changes are necessary to the monitoring process and all deviations from normal monitoring must be approved by the Division Director.

-

III.   SSBG Eligibility, Adult Services and Contracts Provided by SSBG Funds

A. Purpose/SSBG Program/Funds

The Social Services Block Grant (SSBG) fund is used to provide services for both adults and families with children. The Adult Services Section is responsible for the monitoring of services provided to adults with these funds. The following fund sources and programs are monitored as part of this responsibility:

Program Name	CFDA/Compliance Audit Supplement
Social Services Block Grant (SSBG)	93.667 Social Services Block Grant

B. Subrecipients

All 100 county departments of social services (governmental agencies) are subrecipients of SSBG. There are no financial assistance contracts to be monitored by the Adult Services Section.

Corporations providing guardianship for adults in contract with the DAAS are also subrecipients of SSBG funding.

C. Monitoring Staff

Responsibility for Social Services Block Grant monitoring at county Departments of Social Services (DSS) is assigned to the Adult Services Section's seven (7) Continuous Quality Improvement Specialists (CQIs). Each CQI is assigned a region of the state.

Central office staff provide technical assistance, oversight, and complete annual monitoring for Guardianship Corporations contracting with DAAS.

D. Monitoring of Subrecipients

County Departments of Social Services are monitored on a four (4) year cycle. Comprehensive and more frequent monitoring of subrecipients can occur when appropriate, determined by on-site and virtual consultation visits, desk reviews, and previous corrective action. Increasing the frequency of monitoring and expanding the size of the sample to be reviewed are options utilized to conduct more comprehensive monitoring when necessary.

Guardianship Corporations contracting with DAAS are monitored annually as per the scope of work.

E. Monitoring Tools

All the standardized Adult Services monitoring tools (Appendix 6) are based on applicable laws and regulations that govern each of the programs/funds being monitored.

F. Monitoring Schedule

Management and staff of the Adult Services Section will determine the schedule for monitoring subrecipients. DSS subrecipients will be notified prior to or early in the beginning of each fiscal year regarding the monitoring schedule for the SSBG.

Guardianship corporations contracting with DAAS will be notified prior to the month of monitoring.

DSS on-site monitoring will be conducted over a multi-year time period for all subrecipients of these funding sources. Currently, all corporations are monitored each year.

G. Monitoring Sample

County DSS are divided into three (3) levels based on county population and are used for monitoring purposes. County levels are reviewed annually by State DSS for changes in levels. The county levels for the 100 subrecipients are included with this monitoring plan. See Appendix 1 for list of county levels.

County DSS subrecipients provide many of the allowable services under the SSBG to adults. A random sample of cases will be selected from the Division of Social Services' Services Information System (SIS) from the previous months prior to the month in which the monitoring occurs. The sample will include adult services cases funded with the SSBG.

The SSBG sample is based on the size of the subrecipient (county levels I, II, III). The sample size is as follows:

Level I Counties	Level II Counties	Level III Counties
10	15	20

For small counties with very small caseloads, the sample size may have to be adjusted. In the event, there are fewer records to monitor than the sample size required, all available records will be monitored.

The sample for programmatic monitoring of Adult Protective Services, Guardianship and Special Assistance In-Home (SAIH) provided by county DSSs is as follows:

Level I Counties	Level II Counties	Level III Counties
4	5	7

H. Monitoring Process

SSBG and Programmatic - DSS

a. Designated staff in the Adult Services Section will obtain the appropriate sample of cases from the Division of Social Services Service Information System for each subrecipient scheduled for monitoring during the fiscal year. Subrecipients will be notified of the sample of cases selected for review prior to the scheduled monitoring dates. This monitoring will occur on-site at the county department of social services or virtually to review the records identified in the sample.

b. Records will be reviewed using the standardized tools and instructions for the monitoring described and included in this plan.

c. At the conclusion of the monitoring, the CQIs will conduct an exit conference with the county DSS staff. It is suggested that the supervisory staff including the Director participate. County DSS staff present at the exit conference should include management at minimum.

d. Within 30 calendar days of the completion of the exit conference, the findings are summarized and communicated in a written Monitoring Report to the county DSS Director. The report is reviewed and signed by the Adult Services Program Administrator prior to being sent to the county DSS Director. The report identifies any deficiencies requiring corrective action by the county DSS. Each county DSS is required to achieve a minimum seventy percent (70%) success rate based on the sample of records monitored. Any county

DSS with an error rate below this standard value will require a corrective action plan. Corrective action includes but is not limited to chargebacks to the county. The county has fourteen (14) calendar days to contest the findings. Contested findings are reviewed by the Section Chief and a decision letter sent within ten (10) workdays. If there are changes to findings, the Monitoring Report is amended.

e. Staff conducting the monitoring will assist the county DSS to develop any required corrective action plan. Follow-up on the corrective action plan to determine that all deficiencies have been addressed is the responsibility of the CQI-S assigned to the county department of social services for ongoing consultation, technical assistance, and oversight of services provided with the SSBG. Depending on the nature of the corrective action required, the Local Business Liaison (LBL) with the Division of Social Services may assist with follow-up.

SSBG - Corporations (Guardianship contract)

a. Subrecipients will be notified of the sample of records selected for review prior to the scheduled monitoring dates. This monitoring is conducted on-site or virtually to review the programmatic records identified in the sample.

b. Prior to conducting onsite corporation monitoring, the staff will review any findings and follow up from previous deficiencies and/or corrective action plans from the previous state fiscal year. Records will be reviewed using the standardized Guardianship Program Compliance monitoring tool and Contractor Administrative Requirements.

c. The number of records reviewed is based on the number of individuals served by the corporation. If the corporation serves less than 10 individuals, then all of the records will be monitored. If the corporation serves between 11 – 99 individuals, then ten (10) records will be monitored. If the corporation serves between 100 – 199 individuals, then (15) fifteen records will be monitored. If the corporation serves between 200 – 399 individuals, then (20) twenty records will be monitored. If the corporation serves more than 400 individuals, then (35) thirty-five records will be monitored.

I. Maintenance of Monitoring Documentation

Monitoring tools, relevant verification information, compliance findings, corrective action plans, follow-up and related correspondence for programs identified in this plan are maintained in the Division's Adult Services Section located at Taylor Hall, 693 Palmer Drive, Raleigh, NC. Records will be maintained according to North Carolina's records retention policy.

J. Special Circumstances

Exceptions to the monitoring process can occur, at the discretion of the Division, when there is a state of emergency, such as a pandemic, natural disaster or other emergencies, at the discretion of

the Division. These exceptions may involve temporary changes to staffing, travel restrictions, budgetary restraints, or other provisional deviations from normal monitoring requirements.

IV.   Medicaid Administrative Claiming (MAC)

A. Purpose

The Medicaid Administrative Claiming for Adult and Children (MAC) plan will help to ensure the integrity of claiming allowable activities that support a Medicaid beneficiary and a non-Medicaid beneficiary to access and receive Medicaid covered services under the Medicaid State Plan Amendment (SPA). The plan will provide baseline data to determine if MAC is applied and evaluated appropriately. The results will be derived cumulatively using the monitoring tool. The cumulative results gathered from all 100 departments of social services (DSS) monitored may show areas of performance that may require additional consultation and training.

B. MAC Program/Funds

MAC provides reimbursement to county DSS for administrative activities that directly support efforts to identify and enroll eligible clients into Medicaid, to refer, coordinate and monitor services covered by Medicaid, to remove barriers to accessing Medicaid services and to reduce gaps in Medicaid service. The following fund source are monitored as part of this responsibility:

Program Name	CFDA/Compliance Audit Supplement
Medicaid Administrative Claiming	93.645

C. Monitoring Staff

Staff of Division of Health Benefits (DHB), DAAS and DSS are responsible for monitoring MAC. DAAS and DSS are responsible for management and oversight of all aspects of MAC and monitor county DSS adherence to federal MAC guidelines. DHB establishes and updates procedures for the administration and operation of MAC.

Performance measures reported semiannually as described in the MAC Intra-Departmental Memorandum of Agreement (IMOA) are:

a. The number and names of counties claiming MAC;

b. The number and names of counties monitored during the previous period;

c. Total number of claims for each MAC code reviewed per county during the reporting period, and the percent of claims found in compliance;

d. Number and percent of claims that were billed (as described in measure #3) to non-reimbursable activities necessitating a payment adjustment referral (PAR).

e. Number of counties with monitoring errors that required a corrective action plan;

f. Number and percent of counties with a completed corrective action plan remedying all corrective actions from the previous reporting period (if applicable).

D. Monitoring Tools

MAC monitoring is responsible for maximizing compliance with federal statutes governing utilization, documentation, and financial reporting of MAC activities. In using the monitoring tool, DHB through its partners, monitors activities under five (5) separate areas including:

a. Required documents to claim MAC activities.

b. Requirements for Referral, Coordination and Monitoring (SIS Code 340)

c. Requirements for Facilitating an Application for the Medicaid Program (SIS Code 341)

d. Requirements for Outreach for Medicaid Services (SIS Code 342)

e. Requirements for Arranging Transportation Services for Clients to Access Medicaid Services (SIS Code 343)

The MAC monitoring tool and MAC monitoring instructions are located on the DHHS website.

E. Monitoring Schedule

Management and monitoring staff of DAAS and DSS will determine the schedule for county DSS monitoring. MAC monitoring will be scheduled in conjunction with other planned program monitoring.

On-site and virtual monitoring are conducted in accordance with the four-year monitoring cycle established by DAAS and DSS. Each county will be presented with a monitoring notification letter near or at the beginning of the state fiscal year. According to the established monitoring schedules, DSS will monitor 33-34 counties each SFY and DAAS will monitor the number of counties specified in the monitoring schedule for each SFY. Access to the respective plans can be located through these links:

DAAS: Division of Aging and Adult Services Monitoring Policy

DSS: https://www.ncdhhs.gov/divisions/social-services/county-staff-information/monitoring

F. **Monitoring Sample**

Monitoring staff of Adult Services - will monitor a representative sample of claimed MAC activities. The claims to be reviewed are selected using a simple random sample method. Each county DSS is required to achieve a minimum ninety-five percent (95%) success rate based on the sample of claims monitored. Any county DSS with an error rate below this standard value is subject to corrective action. In the event there are fewer claims to be monitored than the sample size, all available claims will be monitored.

The sample for programmatic monitoring of Medicaid Administrative Claiming (MAC) by county DSSs is as follows:

Level I Counties	Level II Counties	Level III Counties
3 claims each SIS Code for a total of 12	4 claims each SIS Code for a total of 16	5 claims each SIS Code for a total of 20

Important Note: The success rate based on the sample of claims monitored is irrespective of a county DSS financial liability of payment adjustments for disallowed claims. All non-reimbursable activities discovered during an audit are subject to repayment in accordance with MAC guidelines.

G. **Monitoring Process**

Claims will be reviewed using the standardized MAC monitoring tool. County DSS will be notified of the sample of claims selected for review prior to the scheduled monitoring dates. Monitoring will occur by virtual or on-site at the county department of social services to review the documentation for the claims identified in the sample.

H. **Reporting Findings and Follow-up**

Once the desk review or on-site monitoring is completed, the results, as determined using the MAC Compliance Monitoring Tool, will be summarized and communicated to the county during the exit conference. A monitoring report will be sent to the counties according to the respective monitoring plans to identify their success rate and any areas indicating a need for corrective action.

Staff conducting the monitoring will compile the findings and provide the findings to the county DSS to develop a corrective action plan, if needed, and respective Division staffs will arrange additional training or technical assistance to address specific problems. Adult and Children's Programs Representatives (CQIs and CPRs), assigned to county DSS will follow up on the plan to ensure all areas needing remediation have been addressed and completed.

Aggregate results of the monitoring will be reported to DHB on an ongoing basis. The results will represent problems identified and areas where additional training and consultation are

required. The results will establish a baseline to assist in determining level of risk due to inappropriate utilization of MAC.

I.   Ongoing Monitoring of MAC

The monitoring plan may be adjusted to increase or decrease the sample size depending upon results of the monitoring. On-going evaluation of the sample size will be addressed on a quarterly basis as outlined in the MAC Intra-Departmental Memorandum of Agreement.

J. Special Circumstances

Exceptions to the monitoring process can occur, at the discretion of the Division, when there is a state of emergency, such as a pandemic, natural disaster or other emergencies, at the discretion of the Division. These exceptions may involve temporary changes to staffing, travel restrictions, budgetary restraints or other provisional deviations from normal monitoring requirements.

V.   State Adult Day Care Fund – Social Services Block Grant

A. Purpose

The purpose of this section of the DAAS Plan for Monitoring Subrecipients is to define the monitoring and certification process defined for the State Adult Day Care Fund (SSBG). North Carolina General Statute 143-B-153 prescribes this responsibility for this fund. The programs and fund sources that are to be monitored as part of this plan are listed below.

B. Programs/Funds

The following fund source is monitored as part of the State Adult Day Care Fund (SSBG):

Program Name	CFDA/Compliance Audit Supplement
State Adult Day Care Fund – SSBG	93.667-4 Social Services Block Grant State Adult Day Care Fund

C. Subrecipients

The subrecipients of the State Adult Day Care Fund are the 100 county departments of social services (local governmental agencies). Each DSS enters into contract agreement with certified Adult Day Care /Adult Day Health providers to provide services to older and disabled adults and their caregivers. Attached is a list of the county DSS agencies.

D. Monitoring Staff

Two (2) full-time Adult Day Care Specialists are assigned in the Division to conduct the initial certification of all Adult Day Care programs funded in North Carolina. Monthly monitoring of each certified Adult Day Care is completed by local departments of social services staff and quarterly monitoring by the local departments of health, as applicable and then submitted to DAAS for review.

The State Adult Day Care Fund through the Social Services Block Grant are funds disbursed by the Division of Social Services; however, the Division of Aging and Adult Services was given the funds administration and certification responsibility in 1998. Since that time, in addition to certification, the Business Officer for DAAS monitors funds utilization and administers budget revisions in an effort to utilize 100% of this appropriation.

E. Risk Assessment for Subrecipients

As required in NCGS 143B-153 only certified Adult Day Care facilities may receive State Adult Day Care Funds. Each Adult Day Care must either receive initial certification or renewal of certification annually to continue to receive funding.

F. Monitoring Tool

A standardized monitoring tool is utilized to monitor program areas of the Adult Day Care Program by local DSS staff. The elements in the monitoring tool are based on applicable laws and regulations that govern the programs being monitored.

G. Monitoring Schedule

Monthly, at a minimum, each program receiving SSBG funding for Adult Day Care services is monitored by the local county department of social services. At the time of annual certification by DAAS, the county DSS forwards required documentation to the Division and recommends the program for continued certification. Those programs that provide Adult Day Health are monitored quarterly by the local departments of health as well.

Special Circumstances

Exceptions to the monitoring process can occur when there is a state of emergency, such as a pandemic, natural disaster, or other emergencies, at the discretion of the Division. These exceptions may involve temporary changes to staffing, travel restrictions, budgetary restraints or other provisional deviations from normal monitoring requirements.

H. Monitoring Process

Adult Day Care Specialists with the DAAS certify all adult day care and adult day health care providers in the state. After the initial certification, each program receiving SSBG funding for

Adult Day Care services is monitored monthly by the local county department of social services. Again, if the program provides adult day health services, the local department of health completes monitoring quarterly in an area of compliance related to the Standards for Certification. During this monthly review, at a minimum, one aspect of programmatic, staffing, or service compliance is examined. At the time of the annual certification, the county DSS forwards required documentation to the Division and a recommendation that the program receive continued certification.

I. Maintenance of Monitoring Documentation

Monitoring tools, relevant verification information, compliance findings, corrective action plans, follow-up and annual certification correspondence for programs identified in this plan are maintained in the Division of Aging and Adult Services located at Taylor Hall Building, 693 Palmer Drive, Raleigh, NC. Records will be maintained according to North Carolina's records retention policy.

VI. Alzheimer's and Dementia Support Services

A. Purpose

The purpose of this section of the DAAS Plan for Monitoring Subrecipients is to define the monitoring process for the Alzheimer's disease Support Services state funds that support programs and services to support Family Caregivers of persons with Alzheimer's disease and related dementias.

B. Programs/Funds

The following fund source and program is monitored as part of the Alzheimer's disease Grants:

Program Name	CFDA/Compliance Audit Supplement
Project C.A.R.E (Caregivers Alternatives to Running on Empty	SF-219 Alzheimer's and Dementia Supportive Services

C. Subrecipients

The Division has a direct contractual relationship with agencies statewide to support the needs of family caregivers of persons with Alzheimer's disease and related dementias.

D. Monitoring Staff

This grant supports a full-time Alzheimer's Support Specialist who is responsible for the administration of the above grant as well as the annual monitoring of the program.

E. Risk Assessment for Subrecipients

The Alzheimer's and Dementia Support Specialist performs an annual risk assessment in the fall based on several key factors: staff experience and performance, corrective action plans, audit findings, complaints from clients, and financial issues identified in the monthly review of contract reimbursement requests. Monitoring activities aim to determine compliance with the terms set forth in the contractual agreement scope of work and performance goals for subrecipients.

Regardless of the level of risk, each agency is reviewed at least once every three years. The following guidelines are used to determine the monitoring frequency:

Level of Risk	Indicators	Monitoring Frequency and Procedure
Low Risk Subrecipients	Examples of conditions that would categorize a low-risk agency would be no unresolved audit findings or corrective action plans, little or no turnover in staff, and no unfavorable report or financial variances.	A client records review and unit verification may be conducted.
Moderate Risk Subrecipients	Examples of conditions that would categorize a moderate risk agency would be corrective action plans or audit findings that need additional follow-up or verification, key staff in need of training, unfavorable variances on routine reports or financial documentation.	A client record review and unit verification may be conducted to verify or follow-up on specific points not resolved from the previous reviews, to verify corrective action and/or to review areas of prior non-compliance.
High Risk Subrecipients	High Risk indicators include unresolved audit findings, unresolved corrective action plans, new/untrained staff in key positions, complaints from clients, specifically identified management weaknesses and/or unfavorable variances on routine reports or financial documentation, or substantial unresolved questions	High risk subrecipients receive an in-depth programmatic and/or financial monitoring review. Follow-up monitoring activities may be required depending upon the findings of the review.
NOTE: Performance reports include past assessment reports, reimbursement requests, the annual audit, and other correspondence and reports submitted to the Division of Aging and Adult Services.		

F. Monitoring Process

The Alzheimer's Disease Program is contracted with a limited number of subrecipients due to the unique nature of the program goals. Monitoring includes desk reviews of performance logs, review of reimbursement requests, and review of performance reports as well as conducting on-site visits.

G. Monitoring Reports

Written monitoring reports are submitted to each subrecipient detailing the review of the contractual agreement contained in DHHS Open Window against the actual performance of the subrecipient. A written description of the review conducted, and identification of any non-compliance items is included in the report to the subrecipient.

H. Maintenance of Monitoring Documentation

Monitoring tools, relevant verification information, compliance findings, corrective action plans, follow-up and annual certification correspondence for programs identified in this plan are maintained in the Division of Aging and Adult Services located at Taylor Hall, 693 Palmer Drive, Raleigh, NC. Records will be maintained according to North Carolina's records retention policy.

VI.   Cash Assistance

A. Purpose

The purpose of this section of the DAAS Plan for Monitoring Subrecipients is to define the programs and fund sources which are "cash assistance" and therefore have a limited scope monitoring process. Typically, these fund sources provide support for specific positions or support efforts to support the purpose of the funded organization.

B. Programs/Funds

The following fund sources and programs are current considered cash assistance programs:

Program Name	CFDA/Compliance Audit Supplement
Senior Games	SF-62 Senior Games
State Adult Home Specialist Fund	SF-133 State Adult Home Specialist Fund

C. Subrecipients

- Senior Games

Funds support the efforts of Senior Games of North Carolina, Inc. to promote the health and wellness of older adults through the coordinated local and state senior games.

- ▪ State Adult Home Specialist Fund
Funds are provided to 100 county Department of Social Services to support adult home specialist positions.

D. Monitoring Process

Each program listed in this section of the DAAS Plan for Monitoring Subrecipients receives no formal monitoring, rather, a review of fiscal data is conducted including submission of any required performance reports to the Division or NC General Assembly.

E. Maintenance of Monitoring Documentation

Financial reimbursement/payment information, contracts and correspondence for programs identified in this plan are maintained in the Division of Aging and Adult Services located at Taylor Hall, 693 Palmer Drive, Raleigh, NC. Records will be maintained according to North Carolina's records retention policy.

VII.   Emergency Solutions Grant

A. Purpose

The purpose of the ESG Program is to:

- Provide assistance to rapidly re-house persons who are currently homeless
- Assist in meeting the costs of operating emergency shelters
- Restrict the increase of homelessness through the provision of preventive programs and activities.

The North Carolina Department of Health and Human Services (DHHS) will administer North Carolina's non-entitlement ESG fund. This application corresponds to federal fiscal year

The ESG program is intended to assist people in preventing or ending their homelessness by supporting two primary functions: Emergency Response Activities, including emergency shelter operations and services as well as street outreach, and Housing Stability Activities including homelessness prevention and rapid re-housing.

B. Programs/Funds

The Department of Housing and Urban Development (HUD) has an annual allocation for the NC ESG Program

C. Subrecipients

Subrecipients of NC ESG funds include local units of government and non-profits located throughout the state. Subrecipient names and amounts awards are available upon request.

D. Monitoring Staff

There are three staff that monitor the ESG Program.

E. Risk Assessment of Subrecipients

ESG subrecipients are categorized as low, medium, or high risk based on results from the Agency Risk Analysis Matrix conducted annually on each ESG subrecipient. The current program year onsite monitoring schedule is developed based on the matrix scoring risk levels of each subrecipient. High and medium risk subrecipients are scheduled onsite visits within the first two quarters of each program year, all subsequent onsite visits for lower risk subrecipients are scheduled and conducted during quarters three and four of the year.

The ESG office also conducts fiscal and client file desk monitoring on each subrecipient four times per year, which allows for the results of each review to be utilized as additional assessments in determining subrecipient risk levels throughout the program year. All ESG subrecipients will receive an on-site monitoring at least once every three years according to an established schedule.

F. Monitoring Process

The NC ESG office will monitor a minimum of 20% of the total ESG subrecipients every year on site. New subrecipients will be monitored within the first year of their grant agreement. On-site monitoring visits are made to selected subrecipients by ESG program staff to verify program compliance, to review financial records, and to review administrative structures and practices. Results of on-site monitoring visits are shared with the subrecipient organizations that have been monitored. Back-up documentation that is submitted with monthly reimbursement requests is also reviewed on a regular basis throughout the program year.

Subrecipients are expected to make all participant level, financial, and program records available for periodic review by the ESG Office. Significant deficiencies in file content

or quality will result in required Plans of Corrective Action, with possible loss of allocated funds upon discovery of continuing deficiencies.

Program compliance, HMIS / Comparable database usage, and data integrity will also be subject to regular and random monitoring by NC ESG staff. Monitoring of subrecipients may be conducted by the NC ESG Office, local HUD Office of Community Planning and Development, HUD's Office of Special Needs Assistance Programs, HUD's Office of Inspector General, HUD's Office of Fair Housing and Equal Opportunity, or other federal / state agencies to determine whether the subrecipient complied with the requirements of the ESG program. NC ESG staff will monitor subrecipients by conducting on-site compliance reviews and desk audits to track a Subrecipient's program compliance, ensure accurate spending of ESG funds, prevent fraud and abuse, and identify technical assistance needs.

G. Monitoring Tools

DAAS provides prescriptive monitoring instruments for all services. These programmatic instruments can be found on the DAAS web site at https://www.ncdhhs.gov/assistance/low-income-services/emergency-solutions-grant-program-information-for-grantees and also in the appendices of this document. These tools must be utilized by the Division for monitoring the ESG.

H. Reporting

NC ESG Office will regularly monitor the subrecipient's HMIS/comparable database usage to verify consistent data entry for applicable program components. The NC ESG Office reserves the right to request additional reports as necessary to support the ESG program. At a minimum, all subrecipients are required to:

- Provide aggregate data (CAPER) to the ESG Office for reporting purposes.
- Participate in the annual Statewide Point-in-Time (PIT) / Housing Inventory (HIC) count.
- Submit an NC ESG Quarterly Performance Report (QPR)

The Division is also required to report on an annual basis to HUD using the Integrated Disbursement and Information System (IDIS) and the Consolidated Annual Performance and Evaluation Report (CAPER) System.

There can be no extensions or exceptions to these due dates. To ensure accuracy, data will be reviewed by another DAAS employee familiar with the reporting process to make sure all required fields are answered. Payments to subrecipients will be compared to amounts in NCAS (BD701 Report).

I. **Maintenance of Monitoring Documentation**

All documentation related to the monitoring of ESG will be maintained on file at the Division of Aging and Adult Services, 2101 Mail Service Center, 693 Palmer Drive, Taylor Hall, Raleigh, NC 27603-2101. Files will contain the following information:
- Signed Grant Agreement
- Compliance Monitoring Tools
- Monitoring Reports

Each ESG subrecipient will also maintain copies of the above-noted items on file at their agency for review by DAAS staff during on-site monitoring visits.

VIII. Special Assistance Program

A. **Purpose**

The purpose of this document is to outline the monitoring process for State/County Special Assistance (SA). SA is a program providing financial assistance to eligible individuals. The Division of Aging and Adult Services (DAAS) is responsible for the State level administration of the SA Program. Monitoring helps to ensure that the subrecipients, the 100 departments of social services (DSS), participating in the program are administering the program in compliance with applicable laws and regulations.

B. **SA Services/Funds to Be Monitored**

The SA Program has two distinct service categories:
1. Residential/facility care recipients. This service is an entitlement and is a mandated program in all 100 counties.

2. Special Assistance-In-Home (SAIH). Counties must maintain a certain number of SAIH active slots. This is a statutory program and is required by all 100 counties, with no limitation in the number of recipients.

The SA Program has two distinct target population categories:
1. SA for the Aged (SAA), which includes recipients age 65 and older;

2. SA for the Disabled (SAD) which includes individuals under age 65 who are disabled according to the standards set by the Social Security Administration. Individuals under the age of 18 must meet the criteria for legal blindness.

All State agencies must have an audit supplement to assist the local auditor in identifying program compliance requirements and audit procedures for testing those requirements. This document contains the foundation of SA policy and procedures

on eligibility and budgeting found in the SA Policy Manuals. It also refers the auditors to seek further details in the SA Policy Manual used by subrecipients to determine eligibility for the SA Program. The Audit Compliance Supplement is based on the state authorization in 20 Code of Federal Regulations 416.2001-2099, DHHS approved Medicaid State Plan, General Statutes 108A-25; § 108A-40 to 108A-47.1 and 10 A NCAC 71P.

DAAS maintains the following manuals required for use by subrecipients. The SAIH Manual (#2) often references the manual for SA in facilities (#1):

1. https://policies.ncdhhs.gov/divisional/aging-and-adult/special-assistance/special-assistance-manual-1
2. https://policies.ncdhhs.gov/divisional/aging-and-adult/special-assistance-in-home-program/special-assistance-in-home-program

C. Subrecipients to Be Monitored

The 100 county DSS, public governmental agencies administer the SA Program at the county level. The DSS staff accepts and processes applications and maintains the cases using the policy manuals for the SA Program. The 100 county DSS are the subrecipients requiring monitoring.

D. Monitoring Staff

Special Assistance Continuous Quality Improvement (CQI) Specialists, who are employees of DAAS, conduct the monitoring for the SA Program for client eligibility. The Adult Services CQI Specialists monitor SAIH for compliance with SAIH case management functions.

E. Risk Assessment for Subrecipients

Risk is assessed annually and is determined by the examination of several areas including:

1. Quarterly Consultation with counties based on the newly implemented Regional Support Model

2. Results of the most recent monitoring report

3. Information obtained by DAAS staff through review of public reports from Client Services Data Warehouse (CSDW), North Carolina Families Accessing Services Through Technology system (NC FAST) or North Carolina Exporter (NCXPTR).

4. Complaints received by the Department (DHHS)

5. Review of Single County Audits reports to evaluate compliance with applicable laws and regulations for the SA program

See Appendix 2 for the grid used to evaluate county risk.

After assessment and evaluation of the above risk factors, all 100 county DSS will be assigned a risk level of low, medium, or high.

1. Low risk subrecipients will be monitored every four years.

2. Medium risk subrecipients will be monitored at least once every four years, more often as deemed necessary by the Section Chief and the SA Program Administrator.

3. High-risk subrecipients will be more closely monitored until the risk level decreases. Monitoring of high-risk DSS will be conducted onsite. Additional requirements may include ongoing corrective action and more comprehensive monitoring (e.g., increasing the frequency of monitoring, expanding the sample size.)

F. Targeted Monitoring

Monitoring will be targeted to specific areas of eligibility. These areas are identified and evaluated for targeted monitoring by reviewing past monitoring results, requests for consultation and recent policy changes. These targeted eligibility areas include:

- Resources
- Transfer of resources
- Income
- Budgeting
- Application procedures
- Authorized Representative
- Notices

G. Monitoring Tool

A standardized SA monitoring tool (Appendix 7) is used to monitor both service areas of the SA Program: SA facility cases and SA In-Home (SAIH) cases. The tool is revised based on the targeted area of eligibility. The elements in the monitoring tool are based on applicable laws and regulations that govern the program being monitored. The monitoring tool will be attached to the Appointment Confirmation letter sent to the county DSS.

H. Monitoring Schedule

The SA Program Administrator determines the monitoring schedule based on the county's risk assessment.   Counties will be monitored at least once every four years. County DSS agencies will be notified at least 30 days prior to their monitoring.

I. Sample Size

County DSS are divided into three levels based on county population. These are standardized levels across the Division of Social Services, which have been in place for a number of years and are used for monitoring and reporting purposes. The county levels for the 100 county DSS subrecipients are included with this monitoring plan. County levels are reviewed annually by State DSS for changes in levels. The county levels for the 100 subrecipients are included with this monitoring plan. See Appendix 1 for list of county levels.

A random sample of cases is selected from the DHHS eligibility system from two months prior to the month in which the monitoring occurs.

Based on the county levels, the sample size is as follows:

Level I Counties	Level II Counties	Level III Counties
20	25	30

The SAIH sample size is determined by the number of SAIH allocated slots recorded in the DHHS eligibility system. For counties with fewer than 30 allocated slots, the SAIH sample size is two. For counties with 31- 60 allocated slots, the SAIH sample size is four and for counties with more than 61 allocated slots, the SAIH sample size is six. These cases are included in the total number of cases in the sample size.

For example, the sample size for a level one county with 20 allocated SAIH slots will be 18 SA facility cases and two SAIH cases for a total of 20 sample cases. In some instances, for small counties with very small caseloads, the sample size may have to be adjusted. In the event, there are fewer records to monitor than the sample size required, all available records (less than the 20, 25, or 30 recommended) will be monitored.

J. Monitoring Process

1. Designated DAAS staff obtains the appropriate sample size of cases for each subrecipient (county DSS) scheduled for monitoring during the fiscal year. Subrecipients will be notified of the sample cases selected for review prior to the scheduled monitoring date.

2. The monitoring occurs as follows:

   a. Entrance conferences and case reviews will continue to be done virtually. The Exit conference will be held onsite at the county DSS. The county will need to provide the complete record to the designated DAAS staff. The DSS should also be prepared to provide the designated DAAS staff access to the county's document management system used in SA eligibility determination and/or case record storage. Lastly, the county will need to ensure the entire case file, including forms, verifications and notes are uploaded in the DHHS eligibility system, North Carolina Families Accessing Services through Technology (NC FAST).

3. DAAS staff will also review the case file in the DHHS eligibility system, North Carolina Families Accessing Services through Technology (NC FAST) for accuracy. The county DSS is responsible for ensuring the case records are in NC FAST.

4. Information obtained from these sources will be used to complete the standardized monitoring tool for the SA Program.

5. Prior to the start of the monitoring case file review, an entrance conference will be conducted to explain the monitoring process. At the conclusion of the monitoring, the DAAS staff will conduct an exit conference with the DSS staff. It is suggested that the supervisory staff, including the Director, participate. See <u>Appendix 3</u> the Exit Conference template.

6. Within 30 days of the exit conference, the monitoring findings are summarized and communicated in a written report to the county DSS director. All completed monitoring reports, including rebuttals, are reviewed by DAAS leadership prior to completion. The report identifies any deficiencies requiring corrective action by the county DSS. The report includes the completion of the relevant compliance supplement criteria assessed. Corrective action includes but is not limited to overpayments to the county.

Corrective action plans will be required when the total error rate for the combined elements of all cases equals or exceeds 30% and/or when the overall error rate for incorrect payment cases equals or exceeds 30%.

See Appendix 5 SA Corrective Action Plan template.

Note: The Special Assistance Second Party Review forms are resources recommended to improve accuracy There is a separate Second Party Review form for SA applications (DAAS 20201) and recertifications (DAAS 20202). These will be included for use with all required corrective action plans as needed.

7. The DAAS staff will assist the county DSS in developing any required corrective action plan as needed. Follow-up on corrective action plans to determine that all deficiencies have been addressed is the responsibility of the DAAS staff.

8. Monitoring outcomes will be entered into the DHHS Open Window or other DHHS database as required.

9. The Compliance Supplement, DHHS-30 State/County Special Assistance, spells out the specific compliance requirements that will be monitored. Appendix 4 is the chart that is completed and included in the monitoring report. This chart indicates the Compliance Supplement Criteria that was assessed and the results.

K. Overpayments and Underpayments

1. Overpayment

All Beneficiary, County and State responsible overpayments will be determined by reviewing the date of discovery and the period of ineligibility. The date of discovery constitutes the date reported to county DSS, date known to the agency and/or the date of State review of the case file which determined a period of ineligibility. Overpayments are determined based on the latter of, the most recent certification period or the date of discovery which resulted in the ineligibility.

- Beneficiary Responsible Overpayment: The county must complete the DSS-1656 after receiving the overpayment back to the county DSS.   Once the county DSS receives the refund from the client, complete the DSS-1656 and return to the Controller's Office unless instructed to return to the CQI specialist for tracking purposes.

- County Responsible Overpayment: The county must complete the DSS-8201 and return to the Controller's Office unless instructed to return to the CQI Specialist for tracking purpose. The county must also evaluate Medicaid overpayments as spelled out in Medicaid policy.

- State Responsible Overpayment: The county must complete a written request on county letterhead to DAAS to include the identified case number, overpayment month(s) and amount(s), and reason for the overpayment to the Specialassistance@dhhs.nc.gov or county assigned CQI Specialist for approval.

2. Underpayment

The county is responsible for issuing underpayments to recipients when underpayments were identified as resulting from the county's error in applying program regulations. Do not authorize assistance or adjust payments for more than 12 months prior to the month the underpayment is discovered. Discovery constitutes discovery by report to the DSS, being known to the DSS agency, and/or a State review of the case file. The reimbursement of the underpayment will be required when the error affects case eligibility or incorrect payment has been issued.

L. Maintenance of Monitoring Documentation

Monitoring tools, relevant verification information, compliance findings, corrective action plans, follow-up and related correspondence for programs identified in this plan are maintained at the Division of Aging and Adult Services, 693 Palmer Drive, Raleigh, NC. Records will be maintained according to North Carolina's records retention policy.

M. Special Circumstances

Exceptions to the monitoring process can occur when there is a state of emergency, such as a pandemic, natural disaster or other emergencies, at the discretion of the Division. These exceptions may involve temporary changes to staffing, travel restrictions, budgetary restraints or other provisional deviations from normal monitoring requirements.

During these circumstances, monitoring may occur through alternate means such as desk reviews, virtual conferences or a combination of methods to accommodate conditions. The funded agencies subject to monitoring will provide required records and/or digital documentation through a secure process.

With monitoring conducted under special circumstances, sample sizes may have to be adjusted.

The timeframe for monitoring during special circumstances also may be affected. The beginning or end dates within a monitoring timeframe may be extended to accommodate emergency conditions.

Appendices- Each of the following appendices contains a link to the full version of materials referenced in the Adult Services sections of this plan. Appendix 1 is included for your quick reference, and all other appendices are electronic.

1. Adult Services Monitoring Plan- County DSS Levels
2. SA Risk Evaluation Matrix- County Subrecipient
3. DAAS Program Compliance Monitoring Exit Conference Tool
4. SA Compliance Supplement Criteria Requirements
5. SA Corrective Action Plan
6. Adult Services Monitoring Tools
7. SA Monitoring Tool

APPENDIX 1-Adult Services Monitoring Plan- County DSS Levels

ADULT SERVICES MONITORING
COUNTY DSS LEVELS

Level I Counties (85)			
Alamance	Columbus	Lee	Rockingham
Alexander	Currituck	Lenoir	Rowan
Alleghany	Dare	Lincoln	Rutherford
Anson	Davie	Macon	Sampson
Ashe	Duplin	Madison	Scotland
Avery	Edgecombe	Martin	Stanly
Beaufort	Franklin	McDowell	Stokes
Bertie	Gaston	Mitchell	Surry
Bladen	Gates	Montgomery	Swain
Brunswick	Graham	Moore	Transylvania
Burke	Granville	Nash	Tyrrell
Cabarrus	Greene	Northampton	Vance
Caldwell	Halifax	Onslow	Warren
Camden	Harnett	Pamlico	Washington
Carteret	Haywood	Pasquotank	Watauga
Caswell	Henderson	Pender	Wilkes
Catawba	Hertford	Perquimans	Wilson
Chatham	Hoke	Person	Yadkin
Cherokee	Hyde	Pitt	Yancey
Chowan	Iredell	Polk	Rockingham
Clay	Jackson	Richmond	
Cleveland	Jones	Robeson	
Level II Counties (10)			
Buncombe	Davidson	Orange	Wayne
Craven	Johnston	Randolph	
Cumberland	New Hanover	Union	

Level III Counties (5)			
Durham	Guilford	Wake	
Forsyth	Mecklenburg		