

2016-108 AUDIT SCOPE AND OBJECTIVES

Department of Developmental Services – In-Home Respite Services

The audit by the California State Auditor will provide independently developed and verified information related to the rate-setting policies and expenditures for in-home respite services administered by the California Department of Developmental Services (Developmental Services), and will include, but not be limited to, the following:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. Evaluate whether Developmental Services' process for setting payment rates for in-home respite services complies and is consistent with relevant laws, rules, and regulations. Determine the impact of any non-compliance or inconsistency in payment rates that may affect state expenditures, respite workers, developmentally disabled consumers (consumers), or create a disparity between vendors.
3. Compare and contrast payment rates by the two types of respite models used—full service or employer of record.
4. To the extent possible, compare by region the market rate for in-home respite services and the hourly rate paid to respite staff.
5. By region, identify the number of vendors providing in-home respite services, the number of respite workers, and the number of consumers receiving services.
6. Describe the requirements, including licenses and insurance, for a vendor to become an authorized in-home respite service provider.
7. Evaluate the level of oversight performed on in-home respite service providers, including processes to determine that providers meet license and insurance requirements, comply with applicable operational requirements, and have reasonable payment rates.
8. For in-home respite vendors whose total revenue provided by Developmental Services exceeded \$7 million in fiscal year 2013-14, determine the following to the extent that this information can be obtained:
 - a. Revenue received from public funds broken down by applicable model.
 - b. The hourly rate of in-home respite workers.
 - c. Annual net income.
 - d. The amount and source of revenue from public funds.
 - e. The amount and percentage of administrative costs.

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Department of Developmental Services – In-Home Respite Program, continued

- f. Major categories of expenditures including, but not limited to, wages and benefits (management and in-home respite workers broken out separately), in-home respite worker recruitment and screening costs, staff training and orientation costs, travel costs, and other operating expenses. Determine whether expenditures were allowable and reasonable.
9. Examine the rationale for Developmental Services establishing administrative cost caps for some contracts but not for others, including contracts with in-home respite service vendors.
10. Review and assess any other issues that are significant to the audit.