
CHAPTER 26: ICF/DD SERVICES

SECTION 26.13: AUDITS AND DESK REVIEWS**PAGE(S) 2**

AUDITS AND DESK REVIEWS**Audits**

ICF/DD's shall be subject to financial and compliance audits. Each ICF/DD shall file an annual facility cost report, central office cost report, related habilitation cost report, and a cost report indicating the cost for services provided to each resident eligible for an extraordinary rate.

All providers will be subject to an audit of their books and records from time to time by state or federal regulators or contractual auditors of DHH. Audit selection shall be at the discretion of DHH. The audit will be designed to gain assurances including, but not limited to, the following:

- Monies paid to the provider by DHH for services to recipients are properly used for the purpose intended as reflected in the cost reports submitted by the provider,
- Non-allowable costs are removed for cost reporting purposes,
- Costs are properly reflected on reports to DHH, and that significant misclassifications have not occurred, and
- Reported occupancy is accurate.

Whenever possible, the records necessary to verify information submitted to DHH on Medicaid cost reports, including related-party transactions and other business activities engaged in by the provider, must be accessible to DHH audit staff in the state of Louisiana.

Facility Cooperation

The ICF/DD shall cooperate with the audit process by:

- Promptly providing all documents needed for review,
- Providing adequate space for uninterrupted review of records,
- Making persons responsible for facility records and cost report preparation available during the audit,
- Arranging for all pertinent personnel to attend the exit conference,
- Insuring that complete information is maintained in recipient's records, and

CHAPTER 26: ICF/DD SERVICES

SECTION 26.13: AUDITS AND DESK REVIEWS**PAGE(S) 2**

- Correcting areas of noncompliance with state and federal regulations **immediately** after the exit conference time limit of 15 days.

Cost of Out-of-State Audits

When records are not available to DHH audit staff within Louisiana, the provider must pay the actual costs for DHH staff to travel and review the records out-of-state.

If a provider fails to reimburse DHH for these costs within 60 days of the request for payment, DHH may place a hold on the vendor payments until the costs are paid in full.

Desk Reviews

In addition to the exclusions and adjustments made during desk reviews and on-site audits, DHH may exclude or adjust certain expenses in the cost report data base in order to base rates on the reasonable and necessary costs that an economical and efficient provider must incur.

Providers will be subject to a desk review annually. Field audits will be conducted for a reasonable number of providers each year.

Records Retention

The facility shall retain such records or files as required by DHH and shall have them available for inspection for five years from the date of service or until all audit exceptions are resolved, whichever period is longer.

If DHH's auditors determine that a facility's records are unauditable, the vendor payments may be withheld until the facility submits an acceptable plan of correction to reconstruct the records. Any additional costs incurred to complete the audit shall be paid by the provider.

Errors

If DHH's audit of the residents personal funds account indicates a material number of transactions were not sufficiently supported or material noncompliance, then DHH shall initiate a full scope audit of the account. The cost of the full scope audit shall be withheld from the vendor payments.

Exclusions from Database

Providers with disclaimed audits and cost reports for other than a 12-month period will be excluded from the database used to calculate the rates.