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STATE OF CALIFORNIA
Office of the Auditor General
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Thomas W. Hayes
Auditor General

June 13, 1988 P-578.3

Honorable Bruce Bronzan, Chairman
Members, Joint Legislative
Audit Committee
State Capitol, Room 448
Sacramento, California 95814

Dear Mr. Chairman and Members:

As part of our review of residential care facilities, we assessed the Department of Social Services' (department) compliance with licensing and regulation of Country Manor in Chino and Pomona Manor in Pomona, two adult residential facilities for Cuban refugees. Both facilities are federally funded. The department first issued a license to Country Manor in December 1981 and to Pomona Manor in February 1987.

To determine the department's compliance, we examined case files in the department's Riverside and San Gabriel Valley district offices for community care licensing. We also interviewed the department's evaluators for the facilities and discussed the findings with the district managers.

Although both facilities are properly licensed, we found some instances of noncompliance. The following items provide a summary of our findings.

Item 1. The Department Did Not Conduct All Required Annual Evaluations at Country Manor

Finding: Although the department conducted annual evaluations at Country Manor in 1983, 1986, and 1987, the department did not conduct these evaluations in 1982, 1984, and 1985. As a result, the department

did not determine whether the facility remained in compliance with applicable state law and regulations during these years.

Criteria: Section 1534 of the Health and Safety Code requires a licensing agency to conduct evaluation visits at least annually to ensure the proper quality of care and to notify the facility of any deficiencies in its compliance with state law and regulations. Section 80032 of the California Administrative Code states that the department may issue a renewal license at the time of the renewal visit if the facility is in substantial compliance with applicable law and regulations.

Item 2. The Department Did Not Ensure That the Administrators Prepare a Required Plan of Correction at the Time That the Department Cited Deficiencies at Pomona Manor

Finding: Department staff and persons in charge of Pomona Manor did not develop a plan to correct the deficiencies that the department cited during its 1987 and 1988 visits at the facility. As a result, the department does not know whether all deficiencies were corrected. The department cited problems at the facility with food service, with client records, and with the physical condition of the facility.

Criteria: Section 80052 of the California Administrative Code requires that persons in charge of community care facilities and the department evaluator jointly develop a written plan of correction at the time of an evaluation or other licensing visit by the department. The department must provide due dates by which the facility's licensee must correct the cited problems.

Recommendation: The department should ensure at the time of a licensing visit that persons in charge of a facility develop a plan to correct the cited deficiencies.

Item 3. **The Department Did Not Always Conduct Follow-up Visits at Pomona Manor After Citing Deficiencies**

Finding: Department staff did not always conduct required follow-up visits at Pomona Manor to confirm the facility's correction of deficiencies identified during October 1987 and February 1988 even though many corrections required visual confirmation. In addition, the facility did not always provide clear written documentation of corrections for the cited deficiencies that did not require visual confirmation by department staff. As a result, the department cannot be assured that the facility made the required corrections.

Criteria: Section 80053 of the California Administrative Code requires the department to conduct a follow-up visit to determine compliance with the plan of correction developed by the facility operator and department staff at the time that a deficiency is cited. The follow-up visit must be conducted within ten working days after the due dates for the corrections unless the licensee has demonstrated that the deficiency was corrected as required. The department cannot assess any penalties unless it conducts a follow-up visit in accordance with Section 80053.

Recommendation: The department should conduct appropriate follow-up visits to ensure that licensees correct deficiencies.

Item 4. **The Department Did Not Collect All Civil Penalties That It Assigned to Country Manor**

Finding: In 1986, the department assigned two civil penalties to Country Manor because the facility was not in compliance with state law and regulations. However, the department only collected one of the penalty fines. The State lost at least $500 in penalty fines because the department did not send the facility a notice of payment for fines. During 1987 and 1988, the department has not identified any uncorrected deficiencies requiring penalty assessments.

Criteria: Section 80054 of the California Administrative Code requires the department to assess a civil penalty of $50 per day for serious deficiencies that a facility does not correct by a specified date. The code also requires the department to assess $25 per day for uncorrected deficiencies that are not serious. The department may not assess more than $50 per day for more than 30 days. All penalty fines are due and payable upon receipt of notice for payment from the licensing agency.

Recommendation: The department should collect the penalty fines if it determines that it may still charge the facility for the unpaid fines.

In 1987 and 1988, the department gathered evidence to determine whether it should close the Country Manor and Pomona Manor. However, the department found insufficient evidence for the following reasons. First, there have been very few formal complaints reported to the department about the facilities. Second, the department canvassed the neighborhood around Country Manor and did not uncover many problems with the program; also some neighbors were supportive of the program. Third, in 1986, after department staff had reviewed 90 case files of refugees in the program, identifying the clients who appeared most in need of placement in a mental health facility, the department's own consulting psychiatrist evaluated these clients and determined that they were appropriately placed in an adult residential facility. Fourth, in March 1988, the state Department of Mental Health evaluated the Country Manor and Pomona Manor programs, operated by Western Care Centers, Inc., and judged them appropriate for the clientele. The Department of Mental Health also stated that the clients do not pose a threat to public safety. Fifth, because the police and sheriff's departments expressed concerns, the department and law enforcement agencies have agreed to cooperate more fully with one another.

We conducted this review under the authority vested in the Auditor General by Section 10500 et seq. of the California Government Code and according to generally accepted governmental auditing standards. We limited our review to those areas specified in the audit scope section of this letter.

Respectfully submitted,

THOMAS W. HAYES
Auditor General

Department of Social Services' response to this report

STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814

June 6, 1988

Thomas W. Hayes
Auditor General
Office of the Auditor General
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Sacramento, CA 95814

Dear Mr. Hayes:

Thank you for allowing the Department of Social Services to review and comment on the Office of the Auditor General's draft report entitled "The Department of Social Services' Compliance with State Law and Regulations in Licensing Two Adult Residential Facilities for Cuban Refugees" (Audit Control Number P-578.3).

The report found both Country Manor and Pomona Manor to be properly licensed but with some instances of noncompliance. Our comments on the four items of noncompliance follow.

Item 1. The Department Did Not Conduct All Required Annual Evaluations at Country Manor

Comment: We concur with the report's finding. The annual visits were not conducted due to staff shortages and the policy that governed prioritizing of workload. If all visits could not be made due to insufficient staffing resources, priority was given to those facilities receiving complaints during the one-year period prior to renewal. The District Office did not receive complaints on Country Manor during that period of time.

Based upon current staffing, the Department would expect the District Office to be in compliance with the mandated annual evaluation visit.

Item 2. The Department Did Not Ensure That the Administrators Prepare a Required Plan of Correction at the Time That the Department Cited Deficiencies at Pomona Manor

Comment: The Department concurs with this finding and the recommendation. Statewide training is being conducted currently for all evaluator staff in completion of licensing reports, including the development of a plan of correction for cited deficiencies with the facility administrator.

The evaluator handling the 1987 and 1988 visits to Pomona Manor also has been counseled to ensure that plans of correction are properly developed.

It is believed that in addition to the above, recently instituted supervisory reviews of evaluator performance will provide ongoing monitoring to ensure appropriate plans of correction as required.

Item 3. The Department Did Not Always Conduct Follow-up Visits at Pomona Manor After Citing Deficiencies

Comment: With current staffing, plans of correction or follow-up visits are completed as required. However, we agree with the report finding and recommendation and have discussed corrective action with the District Office to ensure that appropriate follow-up visits are being conducted.

Item 4. The Department Did Not Collect All Civil Penalties That It Assigned to Country Manor

Comment: The Department concurs that the District Office failed to bill and collect one of the two civil penalties assessed against Country Manor in 1986.

The assigned evaluator, no longer employed by the District, appears to have inadvertently misfiled the assessment document in the facility file rather than providing it to the billing clerk. Riverside District Office conducted training on civil penalty procedures on May 31, 1988 for all licensing staff to ensure that staff are reminded of the necessary steps in the civil penalties process.

The Department is, as the report recommends, researching whether the unpaid civil penalty is collectable. If so, payment will be pursued.

Again, we appreciate the opportunity to provide our comments on your report. If you have questions, please feel free to contact me at (916) 445-2077 or have your staff contact Mr. Fred Miller, Deputy Director, Community Care Licensing Division, at (916) 322-8538.

Sincerely,

LINDA S. McMAHON
Director