


ILLINOIS DEPARTMENT OF CHILDREN AND FAMILY SERVICES

POLICY GUIDE 2013.07

**NON-SUBSTITUTE CARE CONTRACT MONITORING PROCESS AND
REQUIREMENTS**

RELEASE DATE: December 6, 2013
TO: POS and DCFS Staff and Administrators
FROM: Denise Gonzales, Acting Director 
EFFECTIVE DATE: Immediately

I. PURPOSE

The purpose of this Policy Guide is to issue preliminary procedures regarding the program monitoring of contracts for the purchase of specified non-substitute care services.

Non-substitute care services: means a contract provider of services but are not limited to, counseling, habilitation, advocacy centers, system-of-care, grants, and other child-specific services.

II. PRIMARY USERS

The primary users of this policy guide are all Contract Responsible Department Deputy Directors and Bureau Chiefs; all DCFS Staff Designated as a Non-Substitute Care Contract Program; all POS and DCFS licensing staff Administrators, Program Monitors, or Contract Managers and their Respective Supervisors and all staff of the Central Office of Contracts Administration.

Designated staff in various Department divisions or bureaus monitors these service contracts. A list of included, specific non-substitute care services to which this Policy Guide applies is included as **Appendix A**.

III. BACKGROUND

The Department has an affirmative, fiduciary responsibility to monitor contracts for the purchase of services for Department clients served by Department staff or staff of a Purchase of Service (POS) agency.

The Department has recognized that the system of contracting for purchased services must focus on achieving positive outcomes of safety, permanency and well-being while



at the same time being accountable to our clients and the public. To that end, the Department has adopted the principles listed in **Appendix B** to guide the monitoring of Department contracts for the purchase of specified non-substitute care services.

The following distinct staff roles shall be competently performed to ensure services are programmatically effective and fiscally responsible:

- Responsible Deputy Director;
- Program Administrator;
- Program Monitor; and
- Contract Manager.

(Please see **Appendix C** for a detailed description of the responsibilities of each staff role.)

IV. PROGRAM MONITOR RESPONSIBILITIES AND DUTIES

a) Responsibilities

A Program Monitor has the following general responsibilities:

- 1) Assuring provider adherence to the delivery of services as outlined in the program plan/contract, including provider site visits as specified in these procedures;
- 2) Verifying that services purchased were actually delivered;
- 3) Knowing what staff serve what function in the provision of service and the allocation of their time, and if staff work on other contracts and/or programs;
- 4) Completing monitoring forms/tools as required by these procedures, including the measurement of outcomes; and
- 5) Serving as the gatekeeper for local referrals as requested or assigned.

b) Duties

A Program Monitor has the following specific duties:

- 1) Develop and maintain an organized file for each assigned contract for each fiscal year that includes: executed contract with program plan, budget/rate sheet, copies of approved billings/grant payments, provider reports, monitoring reports, and correspondence to or from the provider;

- 2) Obtain, review and secure in the file provider reports which comprehensively describe the services and outcome measures provided for a designated time-frame (monthly and/or quarterly as designated in the program plan);
- 3) Assure client reports are completed for direct services offered to Department clients and are provided to the assigned caseworker in a timely fashion as specified in a contract program plan;
- 4) Verify client eligibility for services via the DCFS MARS/CYCIS system and assure a client listing is provided with client name and DCFS ID number;
- 5) Approve client billings as Receiving Officer through an accuracy review of the **CFS 1042, Billing Summary**;
- 6) Entry of cost reports in the DCFS Grant Reconciliation Database, when applicable;
- 7) When assigned, conduct an annual needs assessment that includes identification of the target population to be served, desired outcomes from intervention/service; fiscal impact; location of services and program model;
- 8) Participate in recommending new or renewal contracts;
- 9) Conduct at least five verification and monitoring activities each state fiscal year as outlined below; and
- 10) Conduct additional activities when concerns about a provider are raised outside of the routine verification and monitoring activities.

V. MONITORING ACTIVITIES

The following activities are required from the Program Monitor for each non-substitute care services contract:

a) Quarterly Verification Activities

- 1) The purpose of quarterly verification activities is to substantiate services are being provided in compliance with the contract program plan.
- 2) A monitor must conduct at **least one** service verification activity each state fiscal year quarter (July – September; October - December; January – March; and April – June). However, there must be at least four (4) calendar weeks between verification activities. Additional program

monitoring or verification may be required based on specific requirements of the funding source or contract type. The Program Monitor's supervisor is responsible for identifying any such additional monitoring requirements.

- 3) Quarterly verification activities must include (but are not necessarily limited to) **at least one** of the following activities:
 - Observing clients participating in services;
 - Conducting an unannounced visit to the site(s) where client services are delivered;
 - Reading a sample of open and closed case files;
 - Interviewing clients receiving services;
 - Interviewing staff employed by the program;
 - Interviewing the referral source regarding satisfaction with services;
 - Reviewing outcomes and data collection.
- 4) Additionally, and only with fee for service contracts, during one quarter in the fiscal year, a Program Monitor must conduct an on-site reconciliation of a sample of services billed to the Department. The sample must include services provided in at least three (3) separate months and at least 20% (but not less than 5 or more than 20 services) of the individual clients for which the provider billed in each of the selected 3 months. This reconciliation process includes verifying that all services billed are documented through either a case note or a sign-in sheet.
- 5) Each quarterly verification activity, including but not limited to the results or findings, must be documented in the Department's Non-substitute Care Contract Monitoring database. If a concern regarding provider non-compliance arises during the course of a quarterly verification activity or as the result of any other information provided to or obtained by the Program Monitor, the Program Monitor must communicate the concern in writing within one working day to the Program Monitor's supervisor. The Supervisor, in consultation with the Program Monitor, will determine what actions should occur and will document those actions in the Non-substitute Care Contract Monitoring database.
- 6) Additionally, if the area of non-compliance is a "red flag" item (see **Appendix D** for the list of "Non-substitute Care Red Flags"), the Program Monitor must enter the concern into the Monitoring Partnership Provider Profile. Department Executive Leadership will expeditiously determine actions that must be taken and what, if any, recommendations to make to the Department Director.

b) Comprehensive Program Monitoring Review

A Comprehensive Program Monitoring Review is required on each contract for non-substitute care services during the 3rd quarter of each fiscal year (January – March). The annual monitoring review shall be documented in writing following the format in the Non-substitute Care Contract Monitoring Database.

A Program Monitor shall execute the following requirements of the three main components in a Comprehensive Program Monitoring Review:

1) Program Plan Compliance

The Program Monitoring Summary Report, as found in the Non-Substitute Care Contract Monitoring Database, serves as the tool to evaluate compliance with the direct service and administrative requirements of the program plan. The evaluation process involves scoring applicable questions based on language directly from the program plan combined with provider responses and the supporting documentation reviewed during the comprehensive program monitoring review. If there is evidence the provider is meeting the requirements of the program plan the Program Monitor will enter “Yes” meaning “present” or “fully compliant”. Similarly, if there is evidence the provider is not meeting the requirements of the program plan the DCFS Program Monitor will enter “No” meaning “not present” or “not fully compliant”. For either a “Yes” or “No” rating the Program Monitor must provide supporting documentation and justification in the “Department Comments” narrative section of the summary report.

2) Client Record Sample

A client record sample must be selected from all clients open and closed who were served during the months that have elapsed since the last Comprehensive Program Monitoring Review. A client record sample, consisting of 20% or ten (10) total client records, whichever is less, should be selected so that it represents services across multiple service locations and service months and so that infrequent services are sampled.

At a minimum, client records must contain the authorizing referral, an **individualized** client service/treatment plan, an **individualized** case note for every service event provided to the client, and evidence of communication to or reporting to the assigned caseworker on client progress, in compliance with Section 8.0 of the program plan.

3) Personnel File Sample

The personnel files of all direct service staff and their respective supervisors that are employed by or subcontracted to the program shall be reviewed. The current personnel list of staff assigned to the contract should be reviewed against the original personal matrix to determine staff changes that have been made in the program. The following items shall be verified upon review of program personnel files:

- Proof of education, including high school, college and training programs;
- Detailed evidence of each employee or contractor's work experience;
- Annual employee performance evaluations;
- Documentation that a back ground check was completed (print out of the BC-11 computer screen), including but not limited to a CANTS check;
- Copy of a valid driver's license (if applicable);
- Auto liability insurance coverage (if applicable);
- Staff medical exam form, appropriate Form - **CFS-602** through **CFS-604** (if applicable);
- Proof of State Required Licensure (if applicable);
- On-going staff/professional development activities required by the program plan; and
- Copy of subcontract agreement (if applicable)

The results of the Comprehensive Program Monitoring Review must be documented in the Non-substitute Care Contract Monitoring database.

VI. NON-SUBSTITUTE CARE PROVIDER RATING SYSTEM

Upon documentation of the Comprehensive Program Monitoring Review in the Non-substitute Care Contract Monitoring database, a percentage score is generated for the contract. The Department employs a four (4) level system for rating the performance of providers of non-substitute care services. The level system determines the frequency of reviews and other specific actions required with that contracted service.

Level I Annual Comprehensive Program Review and Quarterly Verification Activities

90 – 100% of contract compliance of applicable items

Level II Annual Comprehensive Program Review, Quarterly Verification Activities, and 90-day Provider Performance Improvement Plan

80-89% of contract compliance of applicable items

Level III 6 Month Follow-Up Comprehensive Program Review, Quarterly Verification Activities, and 30 Day Provider Performance Improvement Plan

70-79% of contract compliance of applicable items

Level IV Full Contract Review

No greater than 69% of contract compliance of applicable items

VII. SCHEDULING AND PREPARING FOR A COMPREHENSIVE MONITORING REVIEW

a) On-site Review

The Program Monitor will schedule the on-site Comprehensive Program Monitoring Review in consultation with the provider and other Department program staff that need to participate. The Program Monitor will confirm the date, time, and location(s) for the review to all parties by letter and/or email at least four calendar weeks prior to the date of the review. The Program Monitoring Summary Report, Client List, and Personnel List, must be enclosed with the letter as the provider is requested to complete and return each form. These forms are available in the Non-substitute Care Contract Monitoring database.

b) Summary Report

The Provider must, no less than seven (7) calendar days before the scheduled review, complete and return the pertinent portions of the Program Monitoring Summary Report, along with the Client List and the Personnel List . When received from the provider, the Program Monitor will distribute a copy of the documents received from the Provider to all other DCFS staff who will be participating in the review.

c) Prior to the review, the Program Monitor shall

- 1) Thoroughly review the documents submitted by the provider
- 2) Review the Monitoring Partnership Provider Profile to determine whether any concerns or documents (e.g., audits, desk reviews, licensing reports or monitoring reports on the same provider for a different contract or service delivery area) are available that will help instruct and focus the review;
- 3) Complete the informational section of the Program Monitoring Summary Report (i.e., program reviewer name, telephone number, scheduled date of review, time frame reviewed, provider name, contract number);

- 4) Collect information to begin completion of other sections of the Program Monitoring Summary Report (e.g., review sample bills to complete the questions re: timeliness of bill submittal, etc.); and
- 5) Notify the provider of the records and files that must be available for review and the staff that must be available to be interviewed.

VIII. CONDUCTING THE MONITORING REVIEW

a) Monitoring Review Steps

A Comprehensive Program Monitoring Review shall be conducted in the following steps:

- Step 1** Entrance Conference: The entrance conference is a meeting with the provider staff to outline the general structure/protocol of the review. In addition, the time and location/schedule for the Exit Conference should be established.
- Step 2** Conduct the Review: This step involves reviewing the program plan and scoring applicable questions/items upon verification of provider responses. Additionally agency records and client files are reviewed and staff is interviewed as necessary.
- Step 3** Summary of Findings: During this step DCFS staff (only) discuss the results of the review activities and develop the preliminary findings (strengths and deficiencies), including an estimate of the overall score.
- Step 4** Exit Conference: The exit conference is a meeting held with provider staff to inform them of the preliminary findings from the review, including an estimate of the overall score.

b) Post Review Activities

The Program Monitor shall enter the review results into the Non-substitute Care Contract Monitoring database, which will generate the final report of the monitoring review, including the overall score. The completed report shall be delivered to the provider no later than seven (7) calendar days after the date on which the review was held. A copy of the Program Monitoring Summary Report will simultaneously be submitted to the appropriate Program Administrator and each DCFS staff that participated in the review.

IX. PERFORMANCE IMPROVEMENT PLANS

a) Contracts on Level II and Level III

For contracts scoring at Level II or Level III the provider will have 14 calendar days from date of receipt of the final completed monitoring report to develop and submit a Performance Improvement Plan (with action steps, time frames and outcome measures) for areas that a performance finding was indicated. The Performance Improvement Plan shall be entered into the Non-substitute care Contract Monitoring database.

- **Level II Performance Improvement Plans**

Plans shall be time-limited, yet not longer than 90 calendar days. The Program Monitor shall verify that, at the end of 90 days, the Performance Improvement Plan and corresponding action steps have been substantially completed or addressed.

- **Level III Performance Improvement Plans**

Plans shall be time-limited, yet not longer than 30 calendar days. During this 30-day period, the Program Monitor will conduct verification activities regarding progress towards the corrective action steps and will verify that, at the end of 30 days, the Performance Improvement Plan and corresponding action steps have been substantially completed or addressed.

Completion of Performance Improvement Plans shall be documented in the Non-substitute Care Contract Monitoring database.

If the Provider has not submitted information or otherwise demonstrated compliance with their Performance Improvement Plan within the target date(s), a meeting should be immediately scheduled between the Program Monitor, Supervisor and provider management to determine why compliance has not been demonstrated. Based on the results of the meeting, the Department may:

- 1) Determine that the provider is failing to follow the Department's monitoring process and move the provider to Level IV; or
- 2) Agree to allow additional time for completion.

b) Contracts on Level IV

If the provider is on Level IV, the Program Administrator is responsible for providing the Program Monitoring Summary Report to the responsible Deputy Director and entering the score and the reason(s) for the score in the Monitoring Partnership Provider Profile. The responsible Deputy Director coordinates

communicating the relevant information across Department Divisions and facilitates a discussion and deliberation of Department executive staff regarding next steps. Executive leadership formulates recommendations for the Director, who has ultimate decision-making authority related to any modification or termination of agency contracts. Level IV actions must be done in a highly expeditious manner (i.e. within a 2-4 week period) due to the seriousness of the service delivery issues. All recommendations and future action steps with respect to a Level IV rating shall be documented in the Monitoring Partnership site until the concern is corrected or the contract is no longer in effect.

X. ACCESS TO DEPARTMENT FORMS

Department forms referenced in this transmittal are available in the Non-substitute Care Contract Monitoring database until such time as they are added to the SACWIS templates file.

XI. CONCLUSION

It is essential that staff assigned to monitor one or more contracts for non-substitute care contracts comply with these requirements effective immediately. Questions regarding this Policy Guide should be directed Larry Chasey, Deputy Chief of Staff, at larry.chasey@illinois.gov.

XII. ATTACHMENTS

Appendix A: Descriptor Codes List for Non-substitute Care Monitoring
Appendix B: Contract Monitoring Principles
Appendix C: Monitoring Roles Descriptions
Appendix D: Red Flags

XIII. FILING INSTRUCTION

This Policy Guide should be filed behind **Rules 357, Purchase of Service**.

APPENDIX A

DESCRIPTOR CODES LIST FOR NON-SUBSTITUTE CARE MONITORING

ADP	Adoption
APS	Adoption Preservation
AVA	Advocate-Agency
CAR	Child Abuse Research
CAS	Child Advocacy Support
COR	Court Ordered Visitation
CPM	Children's Personal & Physical Maintenance
CSA	Counseling, agency
CSC	Counseling, Central Office
CSI	Counseling, Intact
CSL	Counseling, Individual
CST	Counseling, Toxicology
DCT	Day Care Transportation
CRR	Day Care Resource & Referral
EFS	Extended Family Support
FCA	Foster Care Agency
FPS	Family Preservation
HAB	Family Habilitation
MAC	Medicaid Counseling Agency
NOR	Norman Consent Decree
PPT	Pregnant and Parenting Teen
SOC	System of Care
TLS	Transitional Living Services
UNI	University-State
UNP	University-Private
VIT	Visitation
YIC	Youth in Crisis
YOU	Youth Coordination Services

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APPENDIX B

MONITORING PRINCIPLES

The Department has adopted the following principles governing the monitoring of purchased specified non-substitute care services for clients:

- The system of contracting shall focus on achieving positive outcomes of safety, permanency and well-being for children and families, and be accountable to clients and the general public.
- Compliance with all contractual requirements shall be monitored closely, frequently and consistently.
- There shall be a clearly articulated, efficient and transparent system of monitoring all aspects of agency compliance and performance.
- Monitoring activities shall be based on clear policies and procedures that are uniformly administered throughout the state.
- Monitoring shall use uniform monitoring tools and standardized data, to the greatest extent possible.
- There shall be clearly stated and defined standards for performance and compliance.
- All monitors shall be trained and competent in the programs and services they monitor.
- All monitoring decisions affecting an agency under review shall be based on clearly stated and known criteria, supported by a complete analysis of facts.
- All actions to sanction an agency, including movement to higher levels of monitoring or to place restrictions on intake, shall be made at the highest level.
- The monitoring system shall include a method to ensure complete and timely communications between DCFS Divisions.

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APPENDIX C

Monitoring Roles Description

The Department has determined that there are four staff roles that are, individually and collectively, essential for the effective, efficient purchase and monitoring of services for Department clients. The supervisor of each staff designated for these roles is also responsible and accountable for ensuring staff performs their designated contract monitoring duties. The four roles are as follows:

a) Responsible Deputy

This individual has the overall administrative responsibility for the contract. These responsibilities include the designation of staff in the other three roles assigned to the contract. At times, the designation of staff to the other three roles is done in cooperation with other divisions. Approval of the decision memo to initiate a contract is expected of this role, as well as the certification of program plans. Recommendations regarding continuation or changes to the contract, and annual contract planning decisions are also part of the responsibilities of the Responsible Deputy. With some contracts, the Responsible Deputy may designate an Associate Deputy to carry out this role on his/her behalf.

b) Program Administrator

This individual leads and directs a group of contracts that have a commonality, a particular subject matter, on a statewide or geographical area basis. Identifying service needs and developing provider resources are included responsibilities. This individual prepares Decision Memos and develops Program Plans with new providers for consideration by the Responsible Deputy. Each fiscal year, the Program Manager is expected to evaluate each assigned contract and make a recommendation to the Responsible Deputy regarding the continuance of the contract, termination of the contract, revisions to the contract program plan and/or funding, and any new contracts that may be needed. During the fiscal year, this individual approves contract amendments as well as blanket, out-of-region, and out-of-state service requests that are within the approved spending plan.

c) Program Monitor

This individual is responsible for assuring provider adherence to the delivery of services as outlined in the program plan. This includes making announced and unannounced site visits to ensure contracted services were actually delivered. The Program Monitor is expected to complete monitoring tools on a regular basis that include among other things the measurement of outcomes, verification of staffing, and assessment of the quality of services being delivered. This individual acts as the "Receiving Officer" approving provider billings on **CFS 1042**. When necessary, the Program Monitor identifies the need for performance improvement

plans and monitors the completion of corrective action steps. This person monitors local referrals to a contract and may serve as the gatekeeper for access to the contract. On occasion, the Program Monitor may identify service needs, new providers, and make recommendations to the Program Manager regarding new contracts. Depending upon the contract, this person may also be responsible for entering budgets, reconciliations and outcomes into the Grant Reconciliation Database.

d) Contract Manager

This individual is responsible for assuring that the contract meets all policy, legal, fiscal and budgetary requirements. This includes securing fiscal information, rates and rate schedules from the Business office, reviewing program plans for deliverables, outcomes and units of services, as well as process academic, licensure/credentialing of providers as necessary. This person also prepares PBCs, does entry into contract databases and related applications, and prepares amendments to obligate or de-obligate contract dollars as necessary, as well as blanket requests. This person verifies the contractor is in good standing and dollars are available so referrals can proceed. This individual supplies contract management information to others, as requested, including among other things trends and funding projections. Depending upon the contract, this person may also be responsible for entering budgets, reconciliations and outcomes into the Grant Reconciliation Database.

APPENDIX D

RED FLAGS – NON-SUBSTITUTE CARE

- Failure to comply with Department monitoring
- Failure to comply with background check policy
- Inappropriate behavior, conduct, or an activity which is in violation of the Code of Ethics for Child Welfare Professionals
- Reports of physical abuse or sexual abuse/misconduct by agency staff
- Failure to terminate, moderate and/or re-assign staff that lack adequate licenses or questionable academic and/or professional credentials
- Failure to maintain accreditation
- Continued staff and management turnover begins to have an impact on the delivery of services to the clients and/or foster parents
- An event or series of events threatening the health, safety or welfare of a child
- Non-payment of department clients, foster parents, and contracted vendors as required by the agency's contract
- Non-payment of agency staff
- Non-payment of mandatory contributions (withholding taxes, unemployment insurance, worker's compensation, etc.)
- Submittal of inaccurate or false billings
- Misappropriation and/or misuse of DCFS Funds
- Reports from the Court indicate persistent performance issues
- Unresolved audit findings that could impact agency financial stability

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