

COUNTY OF LOS ANGELES
Public Health



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Director and Health Officer

JONATHAN E. FREEDMAN
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Substance Abuse Prevention and Control

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June 9, 2011

Godfrey Nwogene, Executive Director
Pride Health Services, Incorporated
8619 Crenshaw Boulevard
Inglewood, California 90305

Dear Mr. Nwogene:

This is to provide you with an Augmentation/Follow-Up Report for the following site visits:

Fiscal Year: 2010-2011
 Site Visit Dates: April 26, 28, and May 10, 2011
 Contract Number(s): PH000470A – Outpatient Drug Free Services (Drug/Medi-Cal)
 PH000470B – Day Care Habilitative Services (Drug Medi-Cal)
 Agency Staff: Godfrey Nwogene, Executive Director

The enclosed report summarizes the findings, requirements, and recommendations resulting from this augmentation/follow-up visit.

Please thank your staff for their assistance and cooperation rendered during this investigation. If you have any questions or need additional information, please contact Michael Kerr at (626) 299-4129 or mkerr@ph.lacounty.gov.

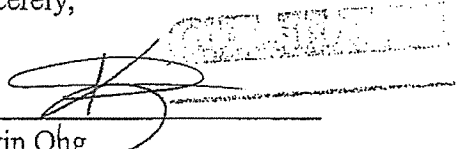
-CONFIDENTIAL-

Godfrey Nwogene, Executive Director

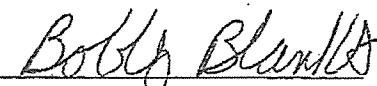
June 9, 2011

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Sincerely,

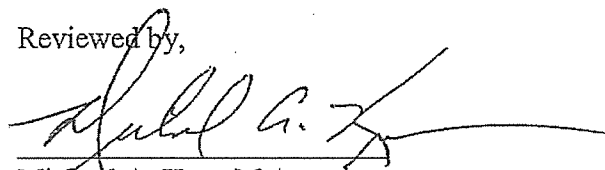


Kevin Ohg
Contract Program Auditor



Bobby Blanks
Contract Program Auditor

Reviewed by,



Michael A. Kerr, M.A.
Senior Contract Program Auditor

MAK:mak

Attachments

c: Wayne Sugita
Leo Busa, Financial Services Division
Dorothy de Leon
Gary Izumi
Tony Hill
Robert Lucero, Financial Services Division
Michael Kerr
Reuben Romo
Andrea Hurtado
Terra Phelps

COUNTY OF LOS ANGELES – DEPARTMENT OF PUBLIC HEALTH

SUBSTANCE ABUSE PREVENTION AND CONTROL

AUGMENTATION AND FOLLOW-UP MONITORING SUMMARY REPORT

Monitoring Report: Pride Health Services, Incorporated

Contract Number: PH000470, Exhibits A and B

FY: 2010/2011

Modalities: Drug/Medi-Cal: Outpatient Drug Free Services (ODF), Day Care
Habilitative Services (DCH)

Audit Dates: April 26, 28, and May 10, 2011

I. BACKGROUND

Pride Health Services, Incorporated (Pride), has been under contract with the County of Los Angeles Department of Public Health, Substance Abuse Prevention and Control (SAPC) to provide Drug Medi-Cal (DMC) services since Fiscal Year 2001-2002. Pride's most recent annual audit was performed on February 7, 8, 9, 10, 11, 15, 16, 17, and March 9, 2011. A program monitoring summary report was mailed on March 23, 2011. The agency submitted a Corrective Action Plan (CAP) dated April 7, 2011.

II. METHODOLOGY

In January 2011, Pride requested to move allocations amongst exhibits and add additional funding to increase their total DMC allocation from \$865,554 to \$1,082,642. In order to consider that request, in light of the fact that the Agency's last two audits had multiple and chronic Title 22 violations, the above cited audit was conducted.

Program Compliance and Quality Assurance (PCQA) staff recommended denial of that request based on the many Title 22 violations that were again cited in the Agency's 2010-2011 annual audit. Additionally, on February 22, 2011, Reuben Romo, Senior Contract Program Auditor, requested that further payments to the Agency be withheld pending a follow-up visit/investigation into the multitude of violations and questionable practices identified during that same audit.

On April 19, 2011, Mr. Godfrey Nwogene, Pride's Executive Director, was granted a meeting with SAPC management staff to discuss the citations identified during his Program's audit and the withholding of payments to the Agency. Mr. Nwogene was accompanied by Pride's Program Director, Ms. Kathy Shakir. During the meeting Mr. Nwogene stated that he has been contracting with the County of Los Angeles for 16 years. He also stated that the Agency has been doing a good job for the last five years.

During the meeting it was pointed out to Mr. Nwogene that his last three audit reports had identified many serious issues every year. He pointedly retorted, "That's not true." Ms. Shakir nodded her head in concurrence. He further stated that he has never had any problems until he was assigned his current auditor and that, "This looks personal."

In preparation for this site visit/audit, PCQA staff performed an extensive review of the Agency's past audits. In all, six different audits, performed over a six year period, performed by four different SAPC auditors (six including this audit) and one with the State Department of Alcohol and Drug Program's staff, were reviewed. The results of that review, as illustrated on attachment 1, dispute the claim that the agency has been doing well for five years, has not had chronic citations, and that only one auditor was "causing problems."

III. FOLLOW UP OF PREVIOUS SITE VISIT

The following areas of non compliance were identified during this follow up to the Fiscal Year 2010/2011 site visit:

1. **Requirement:** In accordance with your Additional Provisions, Paragraph 49 (C), entitled Contractor Responsibility and Debarment, which states, "County may debar Contractor if County's Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated a term of a contract with County or a nonprofit corporation created by County, (2) committed an act or omission which negatively reflects on Contractor's quality, fitness, or capacity to perform a contract with County, any other public entity, or a nonprofit corporation created by County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offence which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity."

Finding: On April 15 and 22, 2011, SAPC staff received e-mails from Pride staff members [REDACTED] reporting that they were told by Godfrey Nwogene, Executive Director, to forge client documentation, ghost write for clients that did not exist, and engage in business practices that were unethical.

In follow up phone interviews on May 3, 2011, [REDACTED] or [REDACTED] reaffirmed that they have been told by Cynthia Alverson, Program Director and Mr. Nwogene, to sign clients names on sign-in sheets when clients did not show up for group counseling sessions and/or to write false progress notes for the purpose of updating client charts and as documentation to substantiate the submittal of monthly billings to SAPC for reimbursement. According to the former employees, this practice takes place on a monthly basis when submittal to the County for reimbursement occurs and during the yearly audit period by SAPC. [REDACTED] also stated that she had been told to write false progress notes for clients that did not exist (ghost clients) and for clients who did not attend group counseling sessions. According to [REDACTED] it was mandated in staff meetings by the Executive Director that [REDACTED] bill the County \$100,000 per month. Additionally, in a face to face interview with Carole McCrory, Pride's Quality Assurance person, she acknowledged that she has used the "cut and paste" method of documentation when updating client files rather than writing individual narratives.

However, in other face to face interviews with Pride staff members [REDACTED] and two Agency clients, they all stated that they have never been asked to falsify any documents.

Corrective Action: The business practice of coercing employees to falsify client documentation with fraudulent signatures and progress notes is a very serious breach of contract. Practices such as these may warrant termination of the Agency's agreement with the County of Los Angeles and the recoupment of all funds due the County as a result of such findings.

2. **Requirement:** In accordance with Title 22, Section 51341.1 (3) (B) (iii), entitled, Progress Notes Shall be Legible and Completed as Follows, which states, " For day care habilitative and perinatal residential treatment services, the counselor shall record a progress note, at a minimum, once a week. The progress notes are individual narrative summaries and shall include: A record of the beneficiary's attendance at each counseling session including the date (month, day, year) and duration of the counseling session."

Finding: [REDACTED] stated that they suffered a reduction in work hours as retaliation from the Executive Director for not agreeing to forge client documents such as sign-in sheets and/or progress notes. Based on the e-mail statements from [REDACTED] and [REDACTED], and given the fact that this audit revealed many missing progress notes and the many progress notes that were not in compliance with Title 22 standards, appears to substantiate that staff hours have been reduced.

In a phone interview with [REDACTED] they said that the Executive Director told them he would terminate their employment if they did not falsify his documentation requests. According to [REDACTED] she was to "do the paperwork the Pride Health way or resign". She stated that the Pride Health way was to document information/progress notes in client's charts who did not attend counseling sessions or individuals who were not clients (ghost clients).

Both employees stated their hours were reduced from forty (40) hours per week to eight (8) and below as a result of their refusal to forge documents. According to a face to face interview with the Executive Director on April 28, 2011, the agency would indeed terminate the employment of [REDACTED] on April 29, 2011. The Executive Director denied these two employees assertions.

Corrective Action: The business practice of coercing employees to falsify client documentation with fraudulent signatures and progress notes is a very serious breach of contract. Practices such as these warrant termination of the Agency's agreement with the County of Los Angeles and the recoupment of all funds due the County as a result of these findings.

3. **Requirement:** In accordance with your Additional Provisions, Paragraph 7, entitled, Fair Labor Standards Act, which states, "Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act, and shall indemnify, defend, and hold harmless County, its agents, officers, and employees from any and all liability including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorney's fees arising under any wage and hour law including, but not limited to, the Federal Fair Labor Standards

Act for services performed by Contractor's employees for which County may be found jointly or solely liable."

Finding: [REDACTED] claimed they received their April paychecks late. During phone interviews with both former employees, they stated that they are paid on the 15th and 30th of each month. The April 15, 2011 paycheck was late. It was not received until April 20, 2011. They also claimed that there have been other occasions when their pay was late. Employees [REDACTED], [REDACTED], and [REDACTED], stated their paychecks have been received in a timely manner.

Corrective Action: The business practices of the agency in terms of compensating their employees must be carried out in a manner that is fair and equitable for all employees. Those standards must follow the standards of the Fair Labor Standards Act.

IV. BILLING VERIFICATION

A. Contract: PH000470 A (DCH)

The following deficiencies were cited:

1. **Requirement:** In accordance with Title 22 Regulations, Drug/Medi-Cal, Section 51341.1 (h) (3) (A), which states, "...the counselor shall record a progress note for each beneficiary participating in an individual or group counseling session."

Finding: The following charts did not contain progress notes to support all counseling sessions billed as of audit date, April 26, 2011.

<u>Client #</u>	<u>DCH Group Sessions</u>
[REDACTED]	- February (19 units) and March (23 units) 2011
[REDACTED]	- February (19 units) and March (23 units) 2011
[REDACTED]	- February (19 units) and March (23 units) 2011
[REDACTED]	- February (19 units) and March (23 units) 2011
[REDACTED]	- February (19 units) and March (23 units) 2011
[REDACTED]	- March 2011 (23 units)
[REDACTED]	- March 2011 (23 units)
[REDACTED]	- March 2011 (23 units)
[REDACTED]	- March 2011 (23 units)
[REDACTED]	- March 2011 (23 units)
[REDACTED]	- March 2011 (23 units)
[REDACTED]	- March 2011 (23 units)
[REDACTED]	- March 2011 (23 units)

Corrective Action: Contractor shall ensure that all progress notes used to support counseling services are placed in client's file within 48 hours of contact. Furthermore, Contractor shall cease and desist billing counseling units to SAPC for clients that did not

receive counseling services. Contractor shall submit a corrected billing form to the Financial Services Division, attention Mr. Roberto Lucero, for the four hundred seventeen (417) counseling sessions billed @ \$55.77 per unit for a total of \$23,256.09 for the units not verified on this contract for February and March 2011 billings.

2. **Requirement:** In accordance with Exhibit B, Outpatient Drug Free Counseling Services, Paragraph 9 (P), entitled, *Specific Services to be Provided*, which states, "Contractor shall maintain group counseling sign-in sheets, which contain the following information: the date, start and ending time, topic discussed, certified location, printed and signed names of participants and signature of the staff conducting the session. Sign-in sheets shall contain each client's original signature."

Finding: Group counseling sign-in sheets for the month of January and February 2011 did not contain a certified location, topic discussion, signature of the staff conducting the session, client's signature, and start and ending time.

<u>Client #</u>	<u>DCH Group Sessions</u>
[REDACTED]	- January (20 units) and February (19 units), 2011
[REDACTED]	- January (20 units) and February (19 units), 2011
[REDACTED]	- January 2011 (20 units)
[REDACTED]	- January (20 units) and February (19 units), 2011
[REDACTED]	- January 2011 (20 units)
[REDACTED]	- January 2011 (20 units)
[REDACTED]	- January (20 units) and February (19 units), 2011
[REDACTED]	- January 2011 (8 units)
[REDACTED]	- January 2011 (11 units)
[REDACTED]	- January (20 units) and February (19 units), 2011
[REDACTED]	- January (20 units) and February (19 units), 2011
[REDACTED]	- January 2011 (20 units)
[REDACTED]	- February 2011 (5 units)
[REDACTED]	- February 2011 (1 unit)

Corrective Action: Contractor shall ensure that all sign-in sheets contain the date, start and ending time, topic discussion, at a certified location, printed and signed names of all participants and signature of the counselor. Contractor shall submit a corrected billing form to the Financial and Administrative Division, attention Mr. Roberto Lucero, for the three hundred thirty-nine (339) counseling sessions billed @ \$55.77 per unit for a total of \$18,906.03 for units not verified on this contract for January and February 2011 billings.

Total Monetary Disallowances for Contract PH000470 A: \$42,162.12

B. Contract: PH000470 B (ODF)

The following deficiencies were cited:

1. **Requirement:** In accordance with Title 22 Regulations, Drug/Medi-Cal, Section 51341.1 (h) (3) (A), which states, "...the counselor shall record a progress note for each beneficiary participating in an individual or group counseling session."

Finding: The following charts did not contain progress notes to support all counseling sessions billed for the month of March 2011 as of audit date, April 26, 2011.

<u>Client #</u>	<u>Individual Session</u>	<u>Group Session</u>
[REDACTED]	1	22
[REDACTED]	1	22
[REDACTED]	1	22
[REDACTED]	1	22
[REDACTED]	1	22
[REDACTED]	1	22
[REDACTED]	1	22
[REDACTED]	1	22
[REDACTED]	1	22
[REDACTED]	1	22
[REDACTED]	1	22
[REDACTED]	1	22
[REDACTED]	1	22
[REDACTED]	1	22
[REDACTED]	1	22

Corrective Action: Contractor shall ensure that all progress notes used to support counseling services are placed in client's file within 48 hours of contact. Furthermore, Contractor shall cease and desist billing counseling units to SAPC for clients that did not receive counseling services.

Contractor shall submit a corrected billing form to the Financial Services Division, attention Mr. Roberto Lucero, for the thirteen (13) individual counseling sessions billed @ \$60.78 per unit and for the two hundred eighty-six (286) group counseling sessions billed @ \$25.82 per unit for a total of \$8,174.66 for the units not verified on this contract for March 2011 billings.

Total Monetary Disallowances for Contract PH000470 B: \$8,174.66

TOTAL OF ALL MONETARY DISALLOWANCES

Total Monetary Disallowances for Contract PH000470 A:	\$42,162.12
Total Monetary Disallowances for Contract PH000470 B:	\$8,174.66
<u>Total of Monetary Disallowances for Contract(s) PH000470 (A & B):</u>	<u>\$50,336.78</u>

V. SUMMARY

Findings noted during the Agency's Site Report were discussed during the exit conference.

Pride Health Services, Inc.

June 1, 2010

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Contractor shall also note that the deficiencies listed are extremely grave violations. Substance Abuse Prevention and Control – Contract Compliance and Quality Assurance Division found chronic, significant, and serious deficiencies that warrant the termination of the agency's Agreement with the County of Los Angeles. Termination proceedings have been initiated.