

PERFORMANCE AUDIT REPORT

Shadowfax Corporation

Costs reimbursed by the
Pennsylvania Department of Human
Services

February 2020



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General

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EUGENE A. DePASQUALE
AUDITOR GENERAL

January 31, 2020

Ms. Julie Landis
Chief Executive Officer
Shadowfax Corporation
386 Pattison Street
York, PA 17402

Dear Ms. Landis:

This report contains the results of the Department of the Auditor General's performance audit of Shadowfax Corporation (Shadowfax) with regard to costs that were reimbursed by the Pennsylvania Department of Human Services (DHS). This audit was conducted under the authority of Sections 402 and 403 of The Fiscal Code (Code), 72 P.S. §§ 402 and 403, and in accordance with the 2018-2019 Budget Implementation provision of Article XVII-H, Subarticle B, Section 1715-H of the Code, 72 P.S. § 1715-H. The audit was not conducted, nor required to be conducted, in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

The performance audit covered the period July 1, 2017 through June 30, 2018, with updates through the report date. Our audit objective was to determine whether medical services for which the costs were reimbursed by DHS were rendered. We planned and performed audit procedures to obtain sufficient, appropriate evidence to the extent necessary to satisfy the audit objective. We believe that the evidence obtained provides a reasonable basis to support our results, finding, and conclusions.

We selected and reviewed 60 claims that were reimbursed by DHS and found that documentation maintained by Shadowfax supported that services were rendered in accordance with applicable laws and policies; however, the report presents one finding and offers four recommendations for Shadowfax to strengthen its management controls over the recording of individuals' attendance and daily service notes. Specifically, we identified a lack of documented supervisory review of these records.

In closing, I want to thank Shadowfax for its cooperation and assistance during this audit. Shadowfax is in agreement with our finding and our recommendations, and its response is included in this audit report. We may follow up at an appropriate time to determine to what extent all recommendations have been implemented.

Sincerely,

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Eugene A. DePasquale
Auditor General

A Performance Audit
Shadowfax Corporation

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Background

The Shadowfax Corporation (Shadowfax) is a private, non-profit human services agency located in the City of York.¹ Founded in 1985, the organization began its mission to provide caring, high quality human services to individuals with disabilities in residences located in York County. Shadowfax's residential services program has grown from supporting 12 individuals in four homes in 1986, to servicing approximately 100 people in 27 homes today. An additional 200 individuals receive services through day services programs that promote the skills and values needed to become an active member of the community. These services include supported employment, community participation support, and vocational and life skills training. According to Shadowfax, it operates on the belief that everyone has the right to be part of the community and make choices that impact their lives. The organization is governed by a volunteer board of directors.²

Programs

Residential Services Program

Shadowfax's Residential Services program promotes independence as staff provide assistance in the home with learning skills necessary to increase individuals' capabilities so they have the opportunity to choose experiences they desire and achieve goals that lead to more productive lives. These skills include personal hygiene care, meal preparation, home maintenance, and managing personal finances. Community involvement is encouraged and may include attending classes or joining a sports league at organizations such as the YMCA, volunteering at other community businesses, and attending a church.³

Day Services Programs

Employment Support

Employment Support staff works with the individuals to understand their abilities, needs, and interests in order to identify employment opportunities and be an active member in the community. Employment Specialists assist in every facet of the job searching process. Volunteer opportunities and community outings are used to increase individuals' awareness of potential jobs and identify interests. The specialists provide guidance and support after the individual is hired to ensure the person is successful and receives the skills needed for sustainable employment.⁴

¹ <<https://shadowfax.org/about-us/>> (accessed January 7, 2020).

² <<https://shadowfax.org/>> (accessed April 23, 2019).

³ Ibid.

⁴ Ibid.

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Community Support

The Community Support component focuses on developing individuals into valued citizens who are engaged members of the community, rather than merely being present in the community. Participation in various volunteer opportunities are offered based on the individual's interests. They may include socializing and enjoying activities with residents at nursing homes; stocking shelves and helping citizens in need at local food banks; assisting with planting, watering, harvesting, and distributing produce from York community gardens; and grooming horses at a therapeutic horse farm/stables. Other activities are also provided to introduce new experiences and expand the individuals' interests, such as visiting the library, local parks, and comic book stores. Staff closely observes individuals during the activities to identify which activities provide enjoyment and create the desire to participate. The goal is to foster a sense of purpose, confidence in themselves, and happiness from making their own life choices.⁵

Prevocational Training

Shadowfax's Prevocational Training program provides an opportunity for individuals who want a combination of community and facility-based services. Shadowfax works with more than 20 local businesses to provide specialized product assembly and hand packaging operations in an industrial shop-like setting. Individuals receive pay for each item they produce.⁶ Shadowfax maintains a certificate from the U.S. Department of Labor under section 14(c) of the Fair Labor Standards Act and abides by the Workforce Innovation and Opportunity Act.⁷ Staff encourages the individuals to think about their futures and provides career counseling presentations. The ultimate goal is to expose individuals to the work environment and work situations so they grow and learn to handle work situations properly if and when they obtain employment in the community.

Day Program

Shadowfax operates its Day Program at two York City locations. The Day Program provides support to individuals who need more extensive services. Many activities are offered to satisfy the desires of each person and ensure they have a fulfilling and enjoyable day. Activities vary from doing crafts, playing games, and improving fitness to taking walks in the neighborhood and daytrips to visit places in the community. The staff provides the daily living needs for each person while each individual chooses the activities that they enjoy.⁸

Funding

Shadowfax receives funding for most of these programs through the Center for Medicare & Medicaid Services within the U.S. Department of Health and Human Services and the

⁵ Ibid.

⁶ Ibid.

⁷ <<https://www.dol.gov/whd/specialemloyment/CRPlist.htm>> (accessed November 20, 2019). See 29 U.S.C. § 214(c) and 29 U.S.C. § 3101 *et seq.*

⁸ <<https://shadowfax.org/>> (accessed April 23, 2019).

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Pennsylvania Department of Human Services' (DHS) Office of Developmental Programs (ODP).⁹ Through the Medicaid Home and Community-Based Services waiver program authorized by the Social Security Act, a state may offer a multitude of home and community-based services that allow Medicaid recipients to remain in the community and avoid becoming institutionalized.¹⁰ The state may design its waiver program to meet the needs of its targeted population.¹¹ Shadowfax participates in PA's waiver program and in so doing, they submit claims to the Commonwealth on a fee-for-service basis through the DHS PROMISE system pursuant to federal and state regulations. For the fiscal year ended June 30, 2018, Shadowfax received approximately \$12 million for services provided to Medical Assistance-enrolled individuals. Shadowfax receives additional funding through the York/Adams Mental Health – Intellectual and Developmental Disabilities Program and the York Office of Vocational Services.¹²

⁹ <<https://www.dhs.pa.gov/providers/Providers/Pages/Developmental-Programs.aspx>> (accessed January 8, 2020).

¹⁰ Social Security Act of 1935, 42 U.S.C. § 1915(c) which was transferred to and re-codified at 42 U.S.C. § 1396n(c).

¹¹ <http://www.dhs.pa.gov/Services/Disabilities-Aging/Documents/Alternatives_to_Nursing%20Homes/PFDS%20Waiver%20Amendment%20July%201%202017.pdf> (accessed November 20, 2019).

¹² <<https://shadowfax.org/>> (accessed April 23, 2019).

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Audit Procedures and Results – Determine whether medical services for which the costs were reimbursed by the Department of Human Services were rendered.

The Shadowfax Corporation (Shadowfax) is a registered Medical Assistance (MA) services provider with the Pennsylvania Department of Human Services (DHS). In order to perform our testing, we obtained a file from DHS listing the individual reimbursement claims approved for Shadowfax during the fiscal year ended June 30, 2018. The table below shows that Shadowfax received nearly 98 percent of its MA reimbursements through the DHS Home and Community-Based Services (HCBS) Waiver programs for individuals with Intellectual Disabilities (ID) for the fiscal year ended June 30, 2018.

The Shadowfax Corporation MA Reimbursements by Account Code (For the Fiscal Year Ended June 30, 2018)		
Account Code	Amount	Percent of Total
HCBS-ID Waiver programs	\$11,925,572	97.7%
All Others	\$ 280,228	2.3%
Total	\$12,205,800	100.0%

Source: Produced by Department of the Auditor General staff from information provided by DHS.

Of the HCBS-ID Waiver program reimbursements, we limited our population to all reimbursements received from DHS for services rendered at the Shadowfax Day Program and Prevocational Training Program provided at the Pattison Street facility in York, which totaled nearly \$3.2 million.

In order to determine whether the services for which Shadowfax submitted claims and received reimbursement from DHS during the fiscal year ended June 30, 2018 were actually rendered, we developed our audit procedures based on our review of applicable laws, DHS regulations and policies, as well as Shadowfax policies, inquiries of management, evaluation of management controls, and observation of Shadowfax operations at the Pattison Street facility. To include claims for different provided services and different recipients within the audit period, we judgmentally selected and tested 60 individual claims submitted by Shadowfax and approved by DHS for reimbursement totaling \$18,378.

Based on the results of our audit procedures, we did not identify any exceptions that indicated Shadowfax received a payment for services that were not rendered or any issues of noncompliance with applicable laws, regulations, and policies. We did, however, identify certain weaknesses in management controls that Shadowfax should strengthen related to recording participant attendance and daily service notes which support claims submitted to DHS for reimbursement. These weaknesses are addressed in the finding within this audit report.

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Finding – Shadowfax should strengthen its management controls over the recording of individuals’ attendance and daily service notes.

According to Pennsylvania Department of Human Services (DHS) policy, Medical Assistance (MA) providers must maintain a record of services-related documentation supporting each claim submitted to DHS for reimbursement.¹³ The accuracy of claims for Shadowfax Corporation’s (Shadowfax) Day Program and Prevocational Training Program is dependent on the provided service being DHS-authorized, as documented on the Individual Support Plan (ISP) for each MA-enrolled individual, and Shadowfax’s proper recording of the service duration time.¹⁴

Service duration time is the length of time the individual is at the facility and is calculated at the facility by recording when the individual arrives and departs each day. Before submitting the claim to DHS, the service duration must be converted into service units. Providers may claim one service unit for every 15 minutes of service. Periods of less than 15 minutes may not be rounded up, and therefore cannot be claimed as a unit. The calculated number of service units multiplied by the DHS-established reimbursement rate for the service provided determines the claim amount.

Additionally, daily service notes describing the service activities and the individual’s participation are completed for each individual. These service notes are used to periodically assess the individual’s progress and determine if the service is meeting the individual’s needs according to the individual’s ISP. The service notes and individual’s attendance records must be maintained to support each claim and be readily available for audit purposes.

Management is responsible for the design and effective operation of controls to ensure compliance with applicable laws and regulations, which includes maintaining documentation that supports each submitted claim.¹⁵ Shadowfax submits claims to DHS monthly on a fee-for-service basis for the amount of units provided to MA-enrolled individuals during the month.

As part of our performance audit, we evaluated the design and effectiveness of management controls related to our audit objective. Although we did not determine that Shadowfax submitted any improper claims to DHS, we did identify the following two weaknesses in the design of its management controls:

- Lack of documented supervisory review of daily attendance records kept manually by program staff.

¹³ DHS Office of Developmental Programs Bulletin 00-17-02, issued July 21, 2017.

¹⁴ The Individual Support Plan (ISP) is developed for individuals with developmental disabilities to document their personal preferences, dreams and wishes, medical history, and other information meant to be used by everyone involved in the individuals’ network of support so services can be structured to meet the individuals’ needs based on their own choices. The ISP is updated annually or sooner, if the individuals’ circumstances/preferences change.

¹⁵ DHS Office of Developmental Programs Bulletin 00-17-02, issued July 21, 2017.

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- Lack of documented supervisory review of daily service notes prepared by program staff.

The following sections describe the above weaknesses in more detail.

Lack of documented supervisory review of daily attendance records kept manually by program staff.

When an individual arrives at the facility, the program staff are required to manually record the actual arrival time on attendance sheets maintained in each program area. Similarly, the individual's departure time is recorded whether leaving for the day or leaving to participate in activities away from the facility.¹⁶ According to Shadowfax management, program supervisors performed monthly reviews of the service notes during the audit period that, in part, compared times recorded on the attendance sheets to the daily service notes. Management believed this review was sufficient to ensure accurate service times were recorded. We found, however, that this supervisory review was not documented, and as a result, we could not verify the review was actually performed. In addition, this review only ensures the times documented on the service notes agreed with the attendance sheets, and not the accuracy of the actual times initially recorded on the sheets.

The times recorded on the manual attendance sheets are entered into an electronic spreadsheet that is sent to the finance department staff who then convert the times into service units for each individual and submit a claim to DHS for reimbursement. In order for management to ensure accurate claims are submitted to DHS, it must ensure the accuracy of each time recorded on the manual attendance sheets. If program staff record an incorrect time on the sheets, the error would not be identified and cause the provider to potentially submit an inaccurate claim.

A lack of documented supervisory review of daily service notes prepared by program staff.

Each ISP identifies the services an individual is authorized to receive by DHS. For DHS to reimburse for these services, based on DHS-established reimbursement rates, the documentation to support the propriety of Shadowfax's claims to DHS for services rendered is the daily service notes for each individual. During our review of the daily service notes associated with the claims selected as part of our audit procedures, we found that they lacked documentation of a supervisor's review and approval even though management stated that supervisors conducted monthly reviews of service notes during the audit period. Although we could not evaluate the monthly reviews, we question the effectiveness of a review designed to ensure the accuracy of documented services that may have been provided 30 days prior.

¹⁶ The Shadowfax Corporation Day-In-Program Training manual, Lesson #2, Individual Attendance Sheets.

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Shadowfax management provided a training manual as its policies and procedures for completing service notes during the July 1, 2017 through June 30, 2018 audit period. Although the manual emphasized that service notes must be consistent and accurate, the manual did not include documented supervisory review and approval procedures.¹⁷ According to management, Shadowfax used DHS' Office of Developmental Programs' policy on service note documentation requirements as its own organization's policy during the audit period.

Shadowfax management also provided copies of its own written procedures implemented after the audit period (June/July 2019) for completing daily service notes for the Prevocational Training and Day Services Programs. Although issued subsequent to the audit period, we reviewed the instructions to determine if supervisory review procedures were included. Similar to the procedures in the training manual, the instructions require program staff to ensure they accurately complete daily service notes, but do not include supervisory review procedures.¹⁸ Management also stated that the supervisor's review of service notes now occurs on a weekly basis; however, they are not required to document the reviews.

Without having documented supervisory reviews included in its written manual and procedures, management cannot be assured supervisors are consistently applying review procedures, or even conducting the reviews, to ensure service notes are accurate. Further, an external independent party, such as an auditor, cannot be assured that the reviews occurred without documented evidence. Finally, having supervisory reviews reduces the risk that inaccurate claims will be recorded and submitted to DHS for reimbursement.

Recommendations

We recommend that Shadowfax:

1. Amend and further clarify its written procedures to require a daily supervisory review of manual attendance sheets to ensure accuracy. The procedures should require supervisors to sign and date each sheet as evidence of their review and approval.
2. Reconsider the frequency (i.e., currently weekly) by which service notes are reviewed and approved by supervisors. The more frequent the review, the more opportunities management will have to detect errors before submitting claims for reimbursement to DHS.
3. Amend its written procedures to require the supervisory review and approval of service notes to be documented with the supervisor's signature and date.

¹⁷ Ibid.

¹⁸ Daily Service Note Instructions (June 2019); Instructions for Completing Daily Documentation (July 2019).

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4. Ensure that documented supervisory review and approval is being performed related to attendance sheets and service notes and the documentation is retained.

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Shadowfax's Response and Auditor's Conclusions

We provided our draft audit procedures and results, and finding and related recommendations to Shadowfax Corporation (Shadowfax) for its review. On the pages that follow, we included Shadowfax's response in its entirety. Following Shadowfax's response is our auditor's conclusions.

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Audit Response from Shadowfax Corporation



Julie M. Landis, CEO

Scott D. King, CPA
Acting Director
Bureau of Performance Audits

Good Afternoon Scott,

Please find our response to the Performance Audit Results below.

Recommendations for Finding

1. Amend and further clarify its written procedures to require daily supervisory review of manual attendance sheets to ensure accuracy. The procedures should require supervisors to sign and date each sheet as evidence of their review and approval.
Agree Written procedures will be clarified/amended to require daily supervisory review of manual attendance sheets to ensure accuracy. This will include supervisor's signature and date on each attendance sheet as evidence of their review and approval. Mark Molnar was asked how to handle a situation if a supervisor was not available and he recommended that a second staff could sign and date the attendance sheet. Forms will be developed/revised to comply with this recommendation.
2. Reconsider frequency (i.e. currently weekly) by which service notes are reviewed and approved by supervisors. The more frequent the review, the more opportunities management will have to detect errors before submitting claims for reimbursement to DHS.
Agree Service notes will be reviewed and approved by supervisors twice a week. Forms will be developed/revised to document compliance with this recommendation.
3. Amend its written procedures to require the supervisory review and approval of service notes to be documented with the supervisor's signature and date.
Agree Procedures will be amended to include the requirement for supervisory review and approval of service notes to be documented with the supervisor's signature and date.
4. Ensure that documented supervisory review and approval is being performed related to attendance sheets and service notes and the documentation is retained.
Agree An additional step of review will be added to ensure supervisory review and approval is being performed. This additional step will be documented. All documentation will be retained.

We are pursuing the use of SETworks, which is a system designed for programs like ours to electronically manage everything that we do from intake through billing. It will eventually eliminate the use of paper. This system will allow us to review and approve all documentation in a time sensitive manner that will comply with all of your recommendations. We expect to begin the implementation of SETworks in March or April. We would like to wait until we are using SETworks to fully implement our response to your recommendations.

Sincerely,

Debra Bryant, Director of Day Supports

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Auditor's Conclusions to Shadowfax's Response

Shadowfax management agrees with our finding and recommendations and states that it is in process of implementing a new system that will comply with our recommendations. We commend management's intention to implement our recommendations and believe in doing so, Shadowfax's system and management controls will be improved to help ensure the accuracy of attendance records and service notes that support costs reimbursed by DHS.

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Appendix A

Objective, Scope, and Methodology

The Department of the Auditor General conducted this performance audit of the Shadowfax Corporation (Shadowfax) under the authority of Sections 402 and 403 of The Fiscal Code (Code), and in accordance with the 2018-2019 Budget Implementation provision of Article XVII-H, Subarticle B, Section 1715-H of the Code.¹⁹ This audit was limited to the objective identified below and was not conducted, nor required to be conducted, in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. We planned and performed this audit to obtain sufficient, appropriate evidence to the extent necessary to satisfy the audit objective. We believe that the evidence obtained provides a reasonable basis to support our results, finding, and conclusions.

Objective

Our audit objective was to determine whether medical services for which the costs were reimbursed by the Pennsylvania Department of Human Services (DHS) were rendered.

Scope

The audit objective covered the period July 1, 2017 through June 30, 2018, with updates through the report date.

Methodology

All of the items selected for testing within this audit were based on auditor's professional judgment. Consequently, the results of our testing cannot be projected to, and are not representative of, the corresponding population.

To address the audit objective, we performed the following procedures:

- Reviewed the following laws, regulations, policies, and procedures applicable to Shadowfax operations related to services provided for Medical Assistance (MA)-enrolled individuals to determine legislative, regulatory, and policy requirements related to our audit objective:

¹⁹ 72 P.S. §§ 402-403, and 1715-H.

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- *Grants to States for Medical Assistance Programs*, Title XIX of the Social Security Act of 1935, as amended, (42 U.S.C. § 1396*et seq.*).²⁰
 - *Medical Assistance Manual*, Part III, Title 55 of the Pennsylvania Code, (55 Pa. Code § 1101*et seq.*).²¹
 - *Long-Term Living Home and Community-Based Services*, Part I, Title 55 of the Pennsylvania Code, (55 Pa. Code § 52.1*et seq.*).²²
 - *Home and Community-based Services: Waiver Requirements*, Subpart G, Part 441, Title 42 of the U.S. Code of Federal Regulations, (42 CFR § 441.300*et seq.*).²³
 - Shadowfax *Orientation and Training* policy (updated July 17, 2019).
 - *ODP Bulletin 00-17-02*, Claim and Service Documentation Requirements for Providers of Consolidated and Person/Family Directed Support Waiver Services and Targeted Services Management.²⁴
- Interviewed Shadowfax management to gain an understanding of the organization and programs offered in order to identify which programs are associated with our population of claims that DHS approved for reimbursement to Shadowfax during the audit period.
 - Obtained Shadowfax’s written procedures used to train program staff on how to manually record the individuals’ attendance time on sheets and how to complete daily services notes in order to design audit procedures.
 - Observed Shadowfax’s procedures for providing services to individuals in the Day Program and Prevocational Training Program to determine whether program staff follow the written procedures as described in the training documents.
 - Met with DHS staff from the Office of Developmental Programs (ODP) to gain an understanding of the Home and Community-based Services Intellectual Disabilities (HCBS-ID) Waiver program and the service codes that represent the eligible services. We also discussed how claims are submitted for services provided to MA-enrolled

²⁰ <https://www.ssa.gov/OP_Home/ssact/title19/1900.htm> (accessed January 13, 2020).

²¹ <<http://www.pacodeandbulletin.gov/Display/pacode?file=/secure/pacode/data/055/partIIItoc.html&d=>> (accessed January 13, 2020).

²² <<http://www.pacodeandbulletin.gov/Display/pacode?file=/secure/pacode/data/055/chapter52/subchapAtoc.html&d=reduce>> (accessed January 13, 2020).

²³ <<https://www.govinfo.gov/content/pkg/CFR-2000-title42-vol3/pdf/CFR-2000-title42-vol3-part441.pdf>> (accessed January 13, 2020).

²⁴ DHS Office of Developmental Programs Bulletin 00-17-02, issued July 21, 2017.

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individuals using the PROMISe system, which verifies the individuals' MA eligibility before a claim is approved for reimbursement.

- Obtained a data file from DHS ODP containing all Shadowfax HCBS-ID Waiver program claims that DHS approved for reimbursement during the period July 1, 2017 through June 30, 2018, encompassing 23,029 claims totaling \$12,205,800.
- Judgmentally selected 60 claims from the data file provided by DHS ODP (see prior bullet). We ensured that the selected claims were associated with 60 different individuals, included at least one claim for every program code in the file and a claim approved during each month of the audit period.
- Developed and performed the following procedures to test the selected claims for compliance with laws and policies and to ensure management controls were operating effectively based on our understanding of Shadowfax's procedures and review of example documentation:
 - Reviewed service documents associated with each selected claim to verify the service was provided and properly authorized based on the Individual Support Plans. We ensured the Shadowfax program staff who provided the services signed and dated the service documents as required by DHS ODP policy.²⁵
 - Used Shadowfax employee attendance records to verify that its staff who provided the service and completed the service documentation was present on the service date.
 - Agreed Shadowfax documents for each selected claim to its claims processing documents, such as the individual's name, date of service, and number of units (duration of provided service) and recalculated the claim amount using DHS's established reimbursement rate for the specific service.²⁶
 - Verified the data associated with each MA claim selected for testing from the DHS ODP file agreed with the claim's source documents in accordance with DHS ODP policy.

²⁵ Ibid.

²⁶ <[https://www.dhs.pa.gov/Services/Disabilities-Aging/Documents/Historical%20Rates/Fee%20Schedule%20Rates%20for%20Community-Based%20Services%20Effective%20July%201,%202017%20\(c_283982\).pdf](https://www.dhs.pa.gov/Services/Disabilities-Aging/Documents/Historical%20Rates/Fee%20Schedule%20Rates%20for%20Community-Based%20Services%20Effective%20July%201,%202017%20(c_283982).pdf)> (accessed January 27, 2020).

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- Reviewed Shadowfax’s personnel records for 15 program staff judgmentally selected from 41 program staff who provided the services associated with the 60 claims we tested. We ensured the personnel records indicated that the staff received the training required for direct care personnel according to regulations and Shadowfax’s training policy.²⁷ Noncompliance would invalidate the claims for services provided due to lack of evidence that the services were provided by qualified staff.

Data Reliability

We performed an assessment of the sufficiency and appropriateness of computer-processed information that we used to support our finding, conclusions, and recommendations. The assessment includes considerations regarding the completeness and accuracy of the data for the intended purposes.

To assess the completeness and accuracy of the data file received from DHS ODP containing individual Shadowfax claims approved by DHS during the period July 1, 2017 through June 30, 2018, we reconciled the total of this file to the data obtained from DHS and evaluated as part of the Commonwealth’s Single Audit for fiscal year ended June 30, 2018.²⁸ Additionally, we judgmentally selected 60 claims from the DHS ODP data file and agreed the data to source documents maintained by Shadowfax as described in the *Methodology* section above. We therefore concluded the DHS ODP data file was sufficiently reliable for the purposes of this engagement.

²⁷ 55 Pa. Code §§ 2380.36 and 2390.40; Shadowfax *Orientation and Training Policy* (updated July 17, 2019).

²⁸ As part of the Single Audit, the Department of the Auditor General obtains monthly data files of MA claims from DHS. This data is evaluated and tested for reliability as part of the Single Audit of the MA program. While the DHS PROMISE system is the same source for both the MA claims data evaluated during the Single Audit and the claims data provided to us for Shadowfax, we consider the Single Audit data to be a reliable independent source for purposes of our engagement since DHS provided the data at different times for different purposes.

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Appendix B

Distribution List

This report was distributed to the following Commonwealth officials:

The Honorable Tom Wolf
Governor

Ms. Julie Landis
Chief Executive Officer
Shadowfax Corporation

The Honorable Teresa D. Miller
Secretary
Department of Human Services

Ms. Tina Long
Director, Bureau of Financial Operations
Department of Human Services

Mr. Alexander Matolyak, CPA
Director, Division of Audit and Review
Department of Human Services

The Honorable Tom Murt
Majority Chair
House Human Services Committee

The Honorable Angel Cruz
Democratic Chair
House Human Services Committee

The Honorable Michelle Brooks
Majority Chair
Senate Health and Human Services
Committee

The Honorable Arthur Haywood
Democratic Chair
Senate Health and Human Services
Committee

The Honorable Pat Browne
Majority Chair
Senate Appropriations Committee

The Honorable Jen Swails
Secretary of the Budget
Office of the Budget

The Honorable Joseph M. Torsella
State Treasurer
Pennsylvania Treasury Department

The Honorable Josh Shapiro
Attorney General
Office of the Attorney General

The Honorable Michael Newsome
Secretary of Administration
Office of Administration

Mr. William Canfield
Director
Bureau of Audits
Office of Comptroller Operations

Ms. Mary Spila
Collections/Cataloging
State Library of Pennsylvania

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This report is a matter of public record and is available online at www.PaAuditor.gov. Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 229 Finance Building, Harrisburg, PA 17120; via email to: News@PaAuditor.gov.